

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15: BELGIUM Fr 30: DENMARK Kr 6 00; FRANCE Fr 5 00; GETIMANY DM 2.0; ITALY L 1,000: NETHERLANDS FI 2.25; NORWAY Kr 5.00; PORTUGAL Esc 50; SPAIN Pts 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 4Zp; MALTA 30c

GENERAL

'Ripper police gilts errors cost lives'

The Yorkshire Ripper, Peter Satelifie, would have been arrested earlier-and many of his victims saved—if the police had not made "major errors of judgment." Hume Secretary William Whitelaw said.

for Construction

He told MPs in a Commons statement on the review of the case that the Yorkshire police had given "excessive credence" to letters and tapes from a man claiming to be the Ripper and their incident room had become overloaded with unprocessed information. Parliament. Page

Premier Margaret Thatcher told MPs she supported the Lord Chief Justice's call for prison sentences for nearly all rapists. She also shared the concern about the way police handled rape interviews after a tele-vision documentary on Monday

Rail peace hopes

Hopes were raised of settling secretary Len Murray joined talks at Acas where it seemed a plan for comprehensive arburation on all aspects of the row was being put together. Back Page

Sinai agreement

Ecypt and Israel signed an agreement after three days of takls in Cairo which should lead • STERLING improved 1.20 to Israel's final withdrawal from cents to \$1.895, and to DM 4.35 Small in April. Earlier story.

Press seized

Polish security police served 31 one of Solidarity's secret printind perises in a flat in @ GOLP rose \$3 to \$373.3. Page Wreelaw, south west Poland, 31 They also found anti-martial leaders and forged identity papers, Back Page

India violence

reported dead and 100 injured its dealing rates on Treasury in clashes set off by a 24-hour, and other Bills for the second national strike against Premier day running, Back Page Indira Gandhi, Mixed to strike, Page 3

N-plant blasted

Five Soviet-made anti-tank rockets were fired at France's mosi advanced nuclear power. station at Creys-Matville, near Lyons. Little damage was done.

Fighters crash

Two Belgian Air Force fighters collided to mid-air during a training session. One pilot ejected, the other was still missing near Rochefort, south of

Snow inquiry

Common Market officials have begun an investigation into the damages and losses suffered in Charles visited areas worst his by blizzards.

Nazi jailed

Self-styled American Nazi party lientenant David Nelson, 25 was jailed for four years in Lo-Angeles for firehombing a Califormian synagogue.

Cheap fares move

to walbhold further navments of supplementary rate levied by Merseyside County Council to provide cheap bus fares.

Pub crawl

Landlord Rod Mahon and barworld non-stop crawling record of 26 miles by one mile when went around their own Page pub 2,301 times in 154 hours.

Briefly ...

Fire at an Ordnance Depot at Moreton-on-Luce, near ford, caused \$1.5m damage. Ballet star Rudolf Mureyev has been granted Austrian citizen-

RISES: RISES:
Treasury 15% 85 : 898; + 1
Exch. 12% 2013-17 ... £84 + 1;
AGB Research ... 277 + 7
Auken Hume 185 - 20

Caledonia Invis. ... 315 + 17.
Chemring 275 + 7
Tuxons Photo. 165 + 7

Hagle Star 224 + 13

Glaxo 466 ÷ 12 Grand Met. 190 ÷ 9

Hambro Life ... 526 + 9
Hawker Siddeley ... 326 + 10
101 ... 320 + 6

Lucas Inds

CHIEF PRICE CHANGES YESTERDAY

 $231 \div 9$

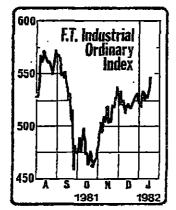
(Prices in pence unless otherwise Indicated)

BUSINESS

NINS SUMMARY

Equities up 11.2; strong

 EQUITIES gained in confidence and closed at the day's hest. The FT 30-share index



finished 11.2 up at 515.9, its highest since September 11.

GILTS' strength continued. The Government Securities index galued 0.65 to 63.61.

 DOLLAR refl to DM 2.295
 (DM 2.2985), to SwFr 1.8475
 (SwFr 1.8490), and to Y224.50 (Y225.40), but rose to FFr 5.8440 (FFr 5.836). Its trade-weighted index fell to 108.7 (109.1), Page St

4.33), FFr 11.0725 10.991, SwFr 3,505 (SwFr 3.4825) and Y125.50 (1.424.50). Its trade-weighted index rose (o 91.5 (90.8). Page

O WALL STREET was down 4.09 to \$51.05 near the close.

O INTEREST RATES fell again At least five people were as the Bank of England lowered

Veto powers planned over Britoil activities

@ SRITOIL, the new company which is to take over the exploration and production activities of BNOC, is to be subject to what amounts to a Government veto to prevent it coming under the control of undestrable interests. Page 10

8 BNOC is to lose its right to buy up to 51 per cent of all the petrolenal gas liquids produced in the North Scal Page 10

• ICI is preparing to ave an estimated 1,300 jobs at its Welwin Garden Chy research and administrative centre in Hernford-intre. Page 6

SHORT BROTHERS, the state-owned agraspace company. announced a 10 per cent cut in its labour force, which would

mean 650 redundancies at 109 three Belfast factories. Page 8 O FIRTH BROWN, one of the country's biggest private steelmakers, wants on immediate

out of 250 in its 3,200-strong workforce. Page 8 Liverpool City Council decided . VIDEO CASSETTE format

egreement has been reached by Sony, Hitachi, Matsushita and AVC of Japan and Philips, the Dutch group, for cameras they

MEPC, the CK's second higgest property group, announced a £62,3m rights issue biggest to help fund us worldwide development programme, Back

• RTZ confirmed that the present terms of its offer for W. Ward were final.

• MFI Furniture Group improved first-half taxable profits by 43 per cent to £7,12m. Page 24; Lex. Back Page

 Magnet & Sthrns.
 148 ± 6

 Mercantile House
 412 ± 14

 Midland Bank
 346 ± 14

 Peters Stores
 82 ± 6

 Plessey
 362 ± 12

 Pend lat
 266 ± 14

Bank of Scotland 470 - 10

British Cine. Thurs. 43 - 7

Poscidon ... FALLS:

MFI . . .

Miners set to give clear majority for 9.3% pay offer

talked

It now looks as if even the

simple majority has cluded the

on indications that the big Nott-

inchamshire area has accepted the pay offer by nearly 70 per

gen), while Yorkshire, by far

The Yorkshire rejection vote

is larger than last year's 64.5

controls on De Lorean

on the operation of the De £17m expired on December 31

certain to be a condition of any "guarantee until next December

and possibly of the continuation. Mr Butler gave no indextion

Lorean companies, the way in an the past two months and out-

which its performance is month put has been halfed to 200 a.

O De Lorean last year outcome, or indied whether It will guarantee 2000 until some other Government source

May 31 and £5m until August of further finance may be pro-

of independent consultant; an each flow difficulties.

Lorean car concern are aimost. De Lorean applied for a 210m review.

TIGHTER Government controls. 31. Previous guarantees totalling, vided, is expected to depend on

of existing finance arrangements. of any progress in De Lorean's Treland officials this morning. Mr. Adam Butler, Northern talks with the Export Credits. Mr. John De Lorean, the com-

Ireland Minister of State, told Guarantee Department on the pany's chairman, and his hoard

possible provision of a £30m-

235m export credit guarantee

major review of its relationship line to finance the Belfast Lorean board in December to

assembly plant's production and

incontor; until a predicted sales

week in the face of mounting

that talks between senior De-

Lorean everytives and the

SCGD on Monday dui not lead

to an outright rejection. The

Sales have shipped sharply

upturn in March.

Last night's forecast is based

executive.

BY CHRISTIAN TYLER, LABOUR EDITOR

THE MINERS have not only rejected their union's strike call hut may have voted by a clear majority to accept the National Coal Board's 9.3 per cent ware

It appears that even if the South Wales miners—who v4ted late because of the weather have responded to their militant lead ship with a high rejection rate, their vote will not be enough to swing the result. It looked last night as though

the National Union of Mineworkers will get no more than 48 or 49 ger cent for its hallot recommendation that the miners should strike "if necessary" to secure a bigger offer.

If the South Wales result, which will be known by tonight, falls short of area

officials' expectations, the overall figure could be still less. It will probably be declared tomorrow. The probability that the union had failed to secure even a simple majority—it required a

55 per cent majority for strike action—fuelled a long and some-times heated debate in the national executive yesterday, Mr Joe Gormley, NUM president, escaped a motion of consure for his article in the Daily Express last week by just one vote. It had advised numers

urged them to overlurn the executive decision.

BY JOHN GRIFFITHS

further Government assistance 31.

the Commons yesterday that the

Government was clarming a

The review will include the

extent of Government represen-

tation on the boards of the De-

tored hand, with the assistance

assessment of its performance.

Mr Butler confirmed that the

invernment would extend

tuarantees of bank loans made

to date and future prospects."

with the company.

to "think hard" and, in effect,

unspecified will. But the votes of the miliahout disciplinary measures. tant areas have not been enough lost by 13 votes to 12, reflecting to counterbalance anti-strike feeling elsewhere.

II was Yorkshire's general secretary, Mr Owen Briscoe, who the present right-left line on the executive. Some moderate it was area leaders criticised Mr secretar. Gormley but did not vote moved against him.

moved the censure motion against Mr Gormley. The pre-sident said virtually nothing during the two-hour debate Meanwhile, disappointed leftwingers warned that the battle At one point, tempers flared would-resume next year. Mr Michael McGahey, Scottish president and national vicewhen Mr Jack Jones of the Leicestershire area rose from president, said he would like to his seat clutching a carafe of see a campaign begin imme-diately and would support a water to threaten Mr George Rees, South Wales secretary, demand for a minimum rate of who was sitting opposite him. £120 a week compared with the present demand of £100. The incident was quickly over

however. " My attitude is that we shall Mr Gormley claimed afterhave to get started on the next wages battle now," he said. wards that as the president elected by all the miners he had the right to say what he Mr Arthur Scorgill, Yorkshire area president who succeeds Mr did. Gormley in early April. bility admitted afterwards: "It would which did. The collective responsiof the executive—on which Mr Gormley has always appear from informal reports insisted for his left-wing oppo-that the 55 per cent majority nents—had been breached by is not going to be attained."

Asked if he had apologised for his article, he said: "You can't lead a group of lads like the miners always being on your

Much of the blame for the union's vote is being pinned on Mr Gorniley's article. This will the largest constituency, has allow the left to say that their rejected it by about 69 per cent. pay vote in no way reflects lack of confidence in Mr Scargill, who was elected by a record per cent "No" vote and will be 70 per cent

The motion, which apparently a comforting result for Mr Scar- Editorial Comment, Page 22

the initial conclusions of the

This is being undertaken

The decision by the De

award performance bonnses

ticularly insensitive in Govern-

ment circles.

totalling \$760,000 (£401,040) to

senior staff is regarded as par-

De Lorean has said the

bonuses will not be paid until

the company can finance them itself, but the issue follows

earlier friction, in particular

over the structure of the com-

Editorial Comment, Page 22

Polation in the U.S.

urgently and the De Lorean

hoard is to meet senior Northern

will meet in the afternoon.

Coca-Cola offers \$778m for Columbia **Picture**

By Ian Hargreaves in New York

COCA-COLA, the U.S. company which dominates the world soft drinks business, yesterday agreed to pay \$778m (£411m) in cash and stock for Colombia Pictures, one of the largest Hollywood film companies.

The deal represents the first major diversification for Coca-Cola in its almost 100-year his-If it goes through as planned, it will make the drinks company a significant presence in radio and television as well as in motion pictures.

Mr Roberto Goizueta, Coca-Cola's Cuban-born chairman, said the deal would give his company "a strong entry in an industry which in our judgment presents opportunities for significant growth in future years, particularly in the area of film entertainment and program-ming for cable and pay tele-

Columbia would continue to he rug as a separate entity under its existing management,

he said. The offer involves Coca-Cola paying \$32.625 in cash and 1.2 of its own shares for each of Columbia's 9.4m shares. On

Coca-Cola's closing price before the announcement the offer is worth more than \$77 a share, compared with Columbia's closing price on Monday of

According to analysts, institutional investors were reacting negatively to the deal on the grounds of the high price Coca-Cola has offered and their feel-ing that the company's sound performance over many years will not be helped by exposure to a cyclical and risky activity like films. Coca-Cola stock re-opened after the bid down \$2 Government may increase

However, Columbia is considered on Wall Street to be one of the best motion picture companies, parily because it has done quite well at the box office, lately and is expected to score a major success with its forthcoming film of the musical Annie, and also because it has made sensible use of its opportunities in the booming cable TV. pay TV and video indust-

of buying Outlet, a company for public spending from the based in Providence. Rhode federal to state and local gov-Island, and which owns five TV stations

£ in New York

1 month 0,23 0,19 dis 0,25 0,22 dis 3 months 0,32 0,27 dis 0,46 0,41 dis 12 months 0,10 dis-nit 0,50 0,40 dis about 40 federal spending pro-

Heron injunction to stop à Court controlling ACC

BY JOHN MOORE

pany began last aight. Heron Corporation, one of the UK's largest private businesses, headed by Mr Geraid Ronson; gained injunctions from the English courts to grop the Australian entrepreneur, Mr Robert Holmes a Court, gaining control of Associated Communications Corporation, Lord Grade's entertainments empire.

"The whole situation is wide open-for other bidders," Mr Ronson said last night. "We are considering a number of situations as far as this company is concerned. So far I feel the board of ACC has had a pistol

held to its head."
Heron Corporation. interests in petrol retailing, motor vehicle distribution, pro-perty, watches and insurance. was granted injunctions last night by Mr Justice Nourse in two legal actions. Both injunc-

until Friday, tions last anuary 22. Under the first injunction the Broadcasting Independent Authority, which needs to give its approval to a company tak-

ing over effective control of a television franchise, is restrained from approving the £36m offer for shares in ACC made by The Bell Group, the Australian master company of Mr Holmes a Court.

Herap said last pight that any transfer of ordinary voting shares of ACC is by virtue of

THE most bizarre battle for its articles of association sub-control of a British public com- ject to the approval of the Authority.

> and each of its directors includ-ing Mr. Holmes a Court are restrained from approving or effecting any transfer ordinary voting shares in the

Mr Ronson indicated last week that he is prepared to offer £42.5m for ACC but that any deal would depend on an investigation into the company's affairs. He initially sought Mr Holmes a Court's acceptance of the deal. Any agreement would depend on whether Mr Holmes a Court was prepared to pass his

Before Herm's surprise move Mr Holmes à Court had looked An injunction brought by M: Jack Gill, the group's former after a boardroom rift with Lord Grade, to stop directors' transferring their shares to Mr

tinued by a judge.

Mr Holmes à Court was set to control more than 60 per cent of the voting shares. He already controls more than 51 per cent of the non-voring shares of ACC Another contender for ACC was Mr Robert Maxwell, chair-British Printing Corporation and man of BPC. formerly the now part of Pergamon Press.

Continued on Back Page Grade's 'oltimatum,' Page 6

Reagan may double tax on petrol and alcohol

BY ANATOLE KALETSKY IN WASHINGTON

PRESIDENT Ronald Reagan is grammes in education, transto double excise taxes on neural. alcohol and tobacco and is considering imposing new taxes on items, according to officials in the U.S. Administration and Congress. However, the President is

reported to be examining plans ernments. This could help disembarrassment a straight tax increase would involve.

Mr Reagan has maintained for a long time that Washington should return much power to the states as part of what he calls "the new federalism." and in The plan is thought to in provision.

clude handing over control for

which would receive the esti-

port and velfare to local

mated \$2hn revenue raised by doubling excise taxes, any other tax to make the tax increases part increases and the \$8.700 now Columbia is in the process of a broad shift in responsibility allocated by the federal governprogrammes.

However, the total cost of the programmes banded over is likely to be considerably higher than the federal revenue provided. Thus the plan could bring hig reductions both in the everall federal budget deficit and in the level of social There has been no official

Centinued on Back Page



Whoever you are, turn to the third page of the Broadcasting Survey.

U.S. cash injection for Laker

BY ALAN FRIEDMAN

to De Lorean last year.

General Electric of the U.S. are of the Airbuses were sold before to inject £5m in each into Labor. Airways. Their investment may eventually be translated antoshareholdings of between the and 20 per cent of the airline

McDonnell Douglas is the U.S. aircraft maker which sold 11 DC-10s to Laker Airways, General Electric makes 107-10 engings. The shareholdings, which will dilute the equity held by Sir-

Fredule Laker and my former

wife, emerged had night as one of the key elements of the survival package now being concluded shoot, LACT's bankers and aircraft makers. Bankers involved in the Laker survival package said negotiations on the tale of the pirline's three A-200 Archives would open shortly. Contracts which the airline had stated for

package tours and charters in

Commodities 13 Commodities 26.75 Commodities 21 Enteriain Guido, 21 European News

in oddition, Laker Astrways has cancelled its option to pure that the airline had paid \$6.7m chase seven more Archives. If (1255m) of interest owed to the necessary, the purpose will use. Midland-led Airbus syndicate on Larer's European courters were (269m) Airbus debt had proved At bases was necessary for the

McDonnell Douglas confirmed McDonnell Douglas in it expected to be its finance Electric cash injection. mal perpenpant" in the eirline. McDonnell

General Electric will process te return for their cash inness details are settled.

McDONNELL, DOUGLAS, and the sammer would be met even, on the heard, but we have not made a decision yet," sain McDounell Douglas,

> DC-10s on its European routes. January 12.
>
> Bankers agreed last night that Laker will also be paying 311m of interest owed to the e notential source of profit but DC-10 syndicate led by the U.S. said the outder of the Siftim Euport-Import Bank (Eximbank) when this instalment falls due too great. The sale of all three in March, This payment is exproted to come partly from cash reserves and partly from the

> Douglas - Genera M Samuel Montagu, Laker's out declined to specify its class, merchant bank, Mr Ian McIntosh a managing director, said last Dought and night that discussions on the survival package would continue redormable preference shares for two to three weeks before

> > Short Brothers cuts workforce. Page 8

in "Laker har offered us a seat CONTENTS

Cutting unemployment: the costs of Energy review: renewed German efforts

Gardens today: dispelling the gloom with orchid: ... Management: the buy out of a Plessey Editorial comment: the miners; Sudan; De Lorean 22 Swiss pharmaceutical groups: strength-De Lorgan

ening their position 30 Survey: the future of independent broad-

Labour Day Trusts Wasther World Trade News INTERIM STATEMENTS Linders
Wall Street
Beauties
Technology
TV and Radin
Ur News Friday Prop. Inv.
Racal
JCI From State ...
Meet & Hebneyy...

to make oil from coal . . Technology: notel and office computer systems 12 Commercial law reports: under sea

mineral rights 13

Casting 15-20 Stack Markets:

ANNUAL STATEMENTS Histoon & Wolsh 23

London Tete Management Flen and Marker, Strong Manage & Eschage,

For letest Share Index phone 41:045 8006

the Anglo-Dutch-German agree- (part of the Veha group) ment to establish their own Hoechst, the chemicas group,

ndependent uranium enrich and Nukem (RWE, Metaligesell-

building an nitial capacity of permisson from the state licen-

three centres: Capenhurst on Westphelia.

Merseyside in the UK, Alcelo In the first phase, the

Soviet gas output increases as oil production falls

3m tons a year for hard

Meanwhile Soviet exports to the West have also fallen due

Soviet gas production last year rose 1.6 per cent above

the already ambitious 9 per cent targeted increase to 465bn

cu metres, compared with a target of 458bn cu metres.

to 630bn cu metres by 1985.

More than 40bn cu metres a

year is scheduled to flow to

Western Europe through the Siberia-West Europe pipeline.

The pipeline's completion date

has been put in doubt by U.S.

earnings from these countries

last year, although the volume

of Soviet energy exports to the

West dropped by 10 per cent.

Paris. These attacks were claimed by "Direct Action," a shadowy far-Left group. often

Italian Red Brigades, which the

French police had supposedly dismantled only a few weeks

The Superphénix reactor, the

commercial prototype for the French fast-breeder programme,

has long been a focus of anti-

nuclear protests. In 1977, a demonstrator was killed by a

grenade blast during a clash with riot police at the Creys-

Last March a group of French scientists published a a pamphlet entitled "Plutonium-

on-the-Rhone," fiercely criticis-

ing the fast-breeder venture. The FFr 8bn (£1.4bn) com-plex, being developed in part-

nership with European elec-

tricity companies, is expected to

start operating early in 1984.

Industrial services were badly hit, with a 27 per cent increase in the number of bankruptcies.

But transporters, builders,

hoteliers and restaurant-owners

Despite the overall improve

ment since September. Insee

said that December figures

The bankruptcy rate has been

past four years. But an increase

of last year's proportions has

BY BRENDAN KEENAN IN DUBLIN

IRELAND'S PUBLIC sector

ing to pre-budget estimates

The estimates show the diffi-

to close the current deficit, now

running at over 1£800m (£655m) a year.

1981 figure. 🗎

fared rather better.

showed a resurgence.

Total Soviet energy exports

sanction moves.

Gas output is planned to rise

to the squeeze on supplies.

SOVIET GAS production broke Soviet Union has undertaken all records last year while oil output fell marginally below

Last year's 6m-ton increase in oil and gas condensate output to 609m tons was just under 1 per cent and marginally below the already downgraded target of 610m tons.

The cost of production increased sharply, reflecting the fact that eight tons of new oil, mainly from wells in Western Siberia, are now required to produce a one-ton net rise in production because of the rapid decline of output from older

At the same time the net exportable surplus declined because the 6m-ton increase is believed to be less than the rise in Soviet domestic oil consump-

The Soviet Union has said it intends to cut by 10 per cent its oil deliveries to the Comecon bloc starting this year. It to the developed Western originally promised to supply countries were an estimated 80m tons of oil a year to its six 72 per cent of hard currency East European Comecon partners throughout the five-year Poland is believed to be an

exception, however, and the according to Western estimates.

A MAN yesterday claimed responsibility on behalf of a group of "pacifist ecologists"

for an extraordinary attack on

the Superphénix fast-breeder

nuclear reactor, under con-

struction on the Rhone, east of

At least five anti-tank rockets

were fired across the river in

Only minor damage—a hole in

the metre-thick concrete outer

shell—was reported to have

been sustained by the structure.

built to withstand the impact of

a large aircraft crashing on top

Police located the rocket-

launcher and tripod on the far

said to be of Soviet manufac-

ture, of a type produced in the

BY OUR PARIS STAFF

year to reach an all-time record

of nearly 21,000. The official

statistics body Insee called it

"the blackest year" for insolven-cies since 1978, when the total

rose by 13 per cent. But it said

the trend since the beginning of the autumn had pointed to

Last year's rise was particu-

lost 4,200 companies, an increase

of 31 per cent over the previous

Spain plans

electronics

By Robert Graham in Madrid

FTER LENGTHY delays a

10-man commission was in-augurated formally yesterday to draw up Spain's first national

electronics plan. Despite many

public statements on the neces-

sity of developing a coherent

this is the first tangible evi-

The commission, led by Sr Jose Angel Sanchez Asiam,

head of the Banco de Bilbao, will attempt to balance the closely interlocking interests of the public and private sectors and try to establish those areas

where Spanish concerns can operate either through develop-

dence of movement.

promics industry in Spain

industry

"a certain levelling-off."

Two years ago, a Soviet-made

by 20 per cent in France last overall.

rocket-launcher was believed to Construction of the exterior of

have been used in a brazen the 1,200MW reactor is virtually

series of daylight attacks on complete. The site is heavily

Bankruptcies soar by 20%

COMPANY bankruptcies soared compared with 1.4 per cent-

larly acute in industry, which on the rise in France for the

year. The failure rate for not been since 1975, in the after-

industry reached 1.9 per cent, math of the first oil crisis,

Ministry buildings in central guarded by police,

river-bank. The appratus was

the direction of the reactor, just

before midnight on Monday.

'Ecologists' fire rockets

at French N-reactor

to increase its supplies to 16m tons this year from the 13m originally promised. This covers virtually, all the Polish import requirement. Before the military takeover, the country needed to import more than

President's threat stirs Portugal's politicians

By Diana Smith in Lisbon

A FURORE has erupted in Portugal over the revelation that President Antonio Ramalho Eanes might resign and run as Prime Minister, if the power of the presidency is reduced in the forthcoming constitutional review.

The news was bitterly condemned by both the ruling Democratic Alliance, led by Sr Francisco Pinto Baisemao and by the Socialist opposi-tion. It was described as anti-democratic and an attempt to put pressure on the MPs who are reviewing the Marxist-leaning constitu-

Under that constitution, the President can veto legislation. dissolve Parilament, call new elections and appoint a Prime Minister.

in order to run for Premier himself—a step not envisaged by the constitution—Gen Eanes would have to call an election and form his own political party. His backers have been taking soundings to try to gauge the degree of grass-roots support for a presidential party.

of office expires in 1985 and he cannot run again. While most observers feel he is just testing the water now; the implications of his move are

The Balsemao government is unpopular and is struggling to and a heavy bill for oil and food imports. Opinion polls suggest that Gen

Eanes is the only political figure to command widespread respect from a public fed up with the intrigues and bluster of civilian politicians. The potential size of a centreleft presidential party, should Gen Eanes decide to form one, would cause serious alarm among the small but diehard civilian and military

etyreme right. en Eanes's move comes at an awkward time. The Portuguese Communist Party, whose massive vote helped return him to power for a five-year term in 1980, has been energetically agitating for the fall of the Balsemao government by means of strikes and mass rallies. It wants an early election called

The 16 per cent increase

will be no special pay increases

The estimates also signal a

return to some form of charg-

rates by the previous Govern-

ment. Local councils will have to raise I£14m (£11.5m)

this year.

Irish to increase spending

pay and pensions bill will rise comes in spite of the Govern-by 18 per cent this year, accord-ment's assumption that there

from the Department of in the public sector this year Finance. The total current and its plans to cut subsidies spending will top 1£50n to local authorities the state (£4.1bn) for the first time, an transport service, and private

culties facing the Government ing by local authorities follow-in next week's budget in trying ing the abolition of domestic

increase of 16 per cent on the health patients.

of the Church in restoring con-

The future of Solidarity is a central issue for the Church. But here the Church is taking the line that the union, when it resurfaces, must shed its political ambitions, rethink its future policy and stick to union tasks. Indeed the defiance of Mr Lech Walesa, the Solidarity leader, and other members of the union leadership still interned is something of an embarrassment, as Mgr Glemp admitted to Mr The fact that there is little

sign of such a rethinking of policy by Solidarity is holding up talks on the issue. In any case, the Church has reportedly got the authorities half way to agreeing to hand Mr Walesa

official presence," the authorities."

Warsaw for another reason. The Nato demand that Solidarity be. restored has complicated matters. The issue, church advisers reason, has become a point of honour between the two blocs. That makes official concessions

are being re-established between Church and State. The high level mixed commission meets this week for the first time since martial law. The State is expected to announce

Glemp and Gen Jaruzelski on January 9 signified mutual recognition and broke the isolation of the military authorities. Last Sunday, Polish radio resumed broadcasts of mass, an-

other problems.

Later in the week, Bishop Bronislaw Dabrowski, the secre-tary of the Bishops' conference is due to travel to Rome to report to the Pope, who will then have to decide whether

CONSTRUCTION of West Ger- in West Germany near the capacity for 400 tonnes of establishing a joint capacity of . It is aiming by 1985 to cut many's first uranium enrich. Dutch border. uranium and is expected to be 2,000 tonnes would be around the U.S. and Soviet shares each The West German partner in commissioned by the beginning DM 2bn (£460m). This stage to about one-third, with the the venture, Uranit—itself a of 1986 at an investment cost should be reached by 1986-87. final third coming from Urenco. joint venture of Preussenelektra of around DM 500m (£115m). This capacity is already sold and Gronau has been designed for Plants at Capenhurst and further expansion of the Urenco a capacity of 1,000 tonnes which Almelo each with a capacity for joint venture will depend on would be enough to meet the

demands of nuclear power The project is important for stations with a combined capacity of around 7,000 MW. to increase the security of its West Germany currently hat, energy supplies. At present if some 9,000 MW of nuclear power station power capacity in ... operation and expects to have three centres: Capenhurst on Westphalia. is meeting around DM 500m of its uranium enrichment operation and expects to have Merseyside in the UK, Alcelo In the first phase, the the DM 850m West German services from the U.S. and 50 commissioned a total of some in the Netherlands and Gronau Gronau plant will have a costs, said the total cost of per cent from the Soviet Union. 18,000 MW by 1985.

Warsaw leaders face test as price rises are prepared

The West German Research

and Technology Ministry, which

W. Germany to begin building uranium plant

200 tonnes of uranium are market demand.

many's first uranium enrich- Dutch border.

ment plant will begin in the

spring, about two years behind

schedule. It is the Snal stage of

2,000 tomoes of uranium at

are gingerly preparing to increase the prices of food and heating in the awareness that similar attempts have led to working class strikes and demonstrations three times since December 1970.

The Government's economic committee has tentatively set February 1 as the date for the introduction of the rises in an "open letter to society" pub-lished in the Press yesterday. But it is by no means certain

resistance to banning of trade union and other freedoms and the internment of Solidarity activists after December 13. Even if workers do not respond immediately to the intro-

sing authorities in North-Rhine

duction of the rises, strikes may break out later as the drop in the standard of living is felt. Martial law is likely to be maintained at least until the workers come to accept the price increases. In a set of proposals published yesterday, the authorities reduced the planned rise in the price of gas, heating and electricity and have decided to increase pay to compensate for

According to Professor Zdzislaw Krasinki the Prices Minis-

ter, the average rise in the cost of living as a result of the price increases as set out at the beginning of the year would have been ZL 1,200 (£8) per month. This will have dropped a little with the reduction in the proposed price rise of heatlight and gas. The average monthly wage in industry last year was about ZL 7,000.

Reuter reports from Warsaw: The Polish Communist Party's official newspaper said yester-day martial law had not halted party activities, and preparations were going ahead for a official news agency PAP, said plenary session of its central the central committee meeting.

country's future.

energy supplies. At present if

is gaining about 50 per cent of

Trybuna Ludu also published an article that appeared to rephase in party work."
habiliate Mr Wladysiaw This was "a phase of strugg Mr Gomulka, former party leader, who was deposed in 1970 following bloody riots over price increases. The newspaper described 76-year-old Mr Gomnika, now retired as "an arduous internationalist and a patriot"

The newspaper devoted a front-page editorial to the forth-coming seventh plenary session of the party's 200-member cen-

"sum up a certain umportam

for the party's identity, and to national agreement, a struggle waged under very difficult politiopponent ready for anything, the paper said.

Trybuna Ludu said all cen tral committee members wer preparing for the plenary set sion, which would have to answer questions about the future of both the party and

situation there.

There is a risk that the

Church could be out

to regain lost ground. But the

way of bringing pressure to bear

year is the 600th anniversary of

the installation of the holy

picture of the Black Madonn

at the shrine of Czestochowa

The significance of the shring

will be millions.

on the authorities, because this GENCHWATER

and the picture itself in Polish SIAG LOCK NO.

BY CHRISTOPHER BOBINSKI IN WARSAW to discuss the for which no date has been POLAND'S military authorities authorities since they crushed heating will still be below pro-

that the proposed increases and payments to compensate for the rise in the cost of living already published are the ones which

will ultimately be introduced. the rises.

The brief rise will be the first Officials say this means the major test for the martial law price of electricity and central

ment facilities.

Schaft, Decussa and Aio Thio already in operation and further The project is important for Under the Urenco joint Zinc)—has had to wait nearly phases of 400 tonnes at each West Germany, which is trying venture, the three countries are four years for initial building centre are under construction. to increase the security of its

tral committee, the first since the country.

the military clamptown.

This showed that martial lay the military dampdown.

The article, quoted by the official news agency PAP, said

had not imposed unnece

Christopher Bobinski, in Warsaw, assesses Glemp's attempts to win reforms

Polish Church manoeuvres in subtle game to tone down his recent out spoken statements about the

"SOME WOULD like the tacts between rulers and ruled. Church in Poland to go to the barricades, but there's little chance it's going to make that mistake," an influential church adviser said recently.

Indeed, Archbishop Jozef Glemp, the head of the Church, seems to have chosen a policy of working by stages to salvage as much as possible of the freedom gained since the Gdansk agreement of August 1980 and lost with the introduction of martial law on December 13.

Mgr Glemp's policy assumes that General Wojciech Jaruzelski, the Prime Minister, is sincere in his promises to con-tinue with reforms. It sims at helping him stick to his word. It accepts that the establishcope with a \$10bn foreign ment contains some figures who debt — equal to half the annual GDP — stagnant proscrew the clamp a little tighter. on Church property with a discrewing the clamp a little tighter. Church policy accepts that

martial law was introduced as a show of force designed to mask the weakness of a Communist system which had become discredited in the eyes of the population.

Having taken the risk of rolling out the tanks, the last thing the authorities will want to do is to make concessions under pressure, the Church assumes. By calming the popular mood. the Church is giving Gen Jaruzelski the chance to get on with easing restrictions.

Mgr Glemp admitted to a recent visitor from the U.S., Senator Larry Pressler, that he feared discontent in Poland may explode into civil war. This could occur, for example, against the forthcoming price increases. The risk of bloodshed is ever present in church thinking.

The Church's style is to put demands in private talks with the authorities and only speak out when results are slow in coming. "There must be pres-sure, but it has to be moderated," church advisers

Thus in a sermon last Sunday in Warsaw, Mgr Glemp spoke out against continuing arrests, "even though so many internees are waiting to be freed," He criticised the sacking from the Communist Party and industry of those deemed disloyal and the military authorities' policy of forcing people to sign loyalty pledges.

He called on the outhorities to put forward a "plan of action" for a way out of the

present situation. But he also called for dialogue and unity. for conciliation and a change of He also made it clear that heart and he offered the services

Archbishop Jözef Glemp: Church policy accepts that martial law was introduced as a show of force to mask Communist system's weakness.

"The idea is that he would church source says. "His list of visitors would be agreed with

But talks are going slowly in

Meanwhile, formal contacts

at the meeting that it is back- developments throughout the ing off in its loyalty pledges country and some of the more campaign. The meeting between Mgr

other sign of normalisation. The Church takes the view that if progress cannot be made on the Solidarity issue, then it is willing to try to resolve

This week, the Bishops' conference is due to meet in. War-

Tokarczuk Przemysł and archoishop Henryk Gulbinowicz from Wroclaw will press for a toughly worded commique. Even if this is issued, the main lines of a moderate Church policy have already been de-

saw for the first time since the prospects for improvement in clampdown. They will report on Poland are good enough for him

their position. The prospect in a tempting one for th authorities. Another factor the author ties no doubt have in mind . that Poland's conscript Army i made up to a great extent (young men from the country side, where church influence

The Army has stayo together as a disciplined ford because, by and large, it he not been ordered to take dire part in repressive action. The role has been left to speci-police riot battallons. The mi of discipline, propaganda an fear of disobeying orders ha kept the Army together and control of the situation. But a open clash with the Churd could undermine that. It is: risk the authorities are loath

the grass-roots level. Mg Glemp has told Bishops to st up aid-to-internees committee in each diocese. Some parishe are taking responsibility to

for the interned. Last Sunday for example, the St Stanisla Kosta Church in Warsaw hel such a mass. It was we attended and showed the people care. That mood platchurch support is a difficul combination for the militar authorities to beat.

Carrington warning over debts

POLAND WILL receive no Western help in rescheduling

\$2,1bn of its official debt falling due this year until it lifts martial law, frees those arrested after the December crackdown and starts a dialogue with the Solidarity union and other opposition groups, Lord Carrington, the British Foreign Secretary, said yesterday. Speaking to the Commons

Foreign Affairs Committee in London he established a direct linkage between Western aid and democratic progress in Poland. Last week Nato foreign ministers had merely said that negotiations on Poland's debts would be suspended

Britain and other Western

countries had reservations about Poland joining the International Monetary Fund under present circumstances. "There is no need to make

a decision of whether we oppose (this)." he said. "If things move and we get a response, our attitude might change." Poland applied to join the Fund in November, a process usually completed within a year.

This position by Western Governments could bring it into conflict with bankers who would welcome Poland being required to submit to the IMF's disciplines. He guessed that the most Poland could look for from the IMF would be \$3bn spread over as long as five years, which would be "comparatively

small " in relation to its total Lord Carrington said that

the West would be raising the question of Poland at ministerial level with the Eastern bloc in Madrid on February 9 when the protracted Relsinki review conference is to resume. Nato's own precise response is to be settled in Brussels where top economic officials are to start talks on Saturday. Future sanctions would be

concentrated against the Soviet Union, said the Foreign Secretary. Though relatively unoptimistic about the effect they might have, he said that the West had succeeded in sending a signal to Moscow, as it had after the Soviet invasion of Afghanistan.

In addition, there are masse

Diffident Koivisto promises Finns change of leadership style BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM



Finland's first Socialist President next week. He will take over from

President Urbo Kekkonen whom illness forced to resign last October at the age of 81 after he had directed Finnish foreign affairs and dominated domestic politics for more than a quarter of a century. Mr Koivisto (58), a Social

Democrat, won a great popular victory and took the excitement out of the presidential election in its first phase last Sunday and Monday. The voters put 145 Social Democrats into he 301-member electoral college which will choose the President next Tuesday.

• Mr Koivisto (left): popular

After the result became treaty of friendship and codomestic politics a very differ- clear on Monday evening. Mr ent style of leadership and no Kalevi Kivisto, the People's Democrats candidate, said he would back Mr Koivisto in the change in foreign policy. This Democrats candidate, said he is what most Finns expect would back Mr Koivisto in the from Mr Mauno Koivisto who college. Mr Aarne Saarinen, is virtually assured of becoming the Communist Party leader. added his endorsement. The People's Democrats are an alliance of the Communists and Left Socialists, Mr Koivisto needs the support of only six of their 32 electors to secure the presidency.

There has been much speculation about how his election would affect Finland's crucial relations with the Soviet Union, perience in dealing although he speaks Russian. The President conducting business

The Soviet Union has regucommon candidate who could larly referred to the necessity beat him on the third ballot.

operation and Dr Kekkonen's policies. Mr Koivisto has carefully agreed, as have the other seven presidential candidates. For Moscow, however, he is probably something of an enigma. His habit of thinking aloud and of pursuing an idea for its intellectual rather than political interest can present problems.

The election is a severe setback for the non-Socialist parties who traditionally enjoy a parliamentary majority and took 58 per cent of the votes in the 1979 general election. with whom he has little ex. The Left polled more than 54 per cent in the presidential poll. The non-Socialists had hoped directs foreign policy and Dr to get enough electors into the Kekkonen has been a master at college to stop Mr Koivisto on with "the first and second ballots and

warning that Mr Koivisto could capitalise on his victory by calling a general election which would sweep the Left into power. He himself, repeated on Monday that he hoped the present Centre-Left Government, of which he is Prime Minister, could be reconstituted and continue in office until the election due in 1983. Mr Kolvisto's unexpectedly

large win is due to his personal candidates to the electoral college pulled in more than 43 per cent of the vote; in the last

Moscow.

Moscow.

The Soviet Union has regularly referred to the necessity beat him on the third ballot of maintaining the good relations based on the 1948 regular voters into line by between his personality and that but which were total maintain and the source of the Bank of The B

of Dr Kekkonen. The old President is still departed, for example, from ighly respected but Finn's have that adopted by neighbouring highly respected but Finn's have indicated a desire for a change Sweden, from his severe paternal con. At the

Mr Koivisto has an impeccable Socialist background. He was a working class boy who, after working in the docks, won minself a university education. He gained his Ph.D. on a thesis about social conditions in the standing with the electorate, His Port of Turku. On the other hand he has never held important positions in the party, is not a dogmatist and shows an

At the cost of larger unen playment than the Sweds would referate the Finnis scokerny recovered mor swiftly from the recession o the mid-1970s. The public learn to appreciate Mr. Koivisto frankness and economi

realism.

cole important perhaps for his popularity has been his ability to avoid the image of a professional politician. A fall, this construction with a scholler general election his Social open, enquiring attitude to not sanst figure, with a rebelliou description only 24 per cent.

Most commentators agree that it could not hope to repeat this performance in a general election.

Mr Koivisto's close rapport in the last special sand shows an Sound position. A fall, thir open, enquiring attitude to notify ansatz figure, with a rebelliou open, enquiring attitude to notify ansatz figure, with a rebelliou dreat problems. He does not lock of hair over his force his views through but has said to charm wome the last to compromise in the last of the special secrets to contrast to the special secrets to contrast to the last of D.

As Governor of the Bank of Relations.

national consciousness cannobe underestimated. The annual ceremonies, at the shrine, which culminate in August, normally attract hundreds of thousands of corest ppers. - Pins year, there Before martial law wa-imposed the authorities had agreed that the Pope should

ELLICEX HOL

visit Poland for the ceremonies review. A ban on the Pope's wisit would weaken the authorities' position. But, if he came

he would have to meet wit! officials and would thus bolste

to take.

Meanwhile, the Church
busy helping people who have
suffered from markal law is local families, members (which have been imprisoned (arrested.

Renewed German effort to make oil and gas from coal

By Kevin Done in Frankfurt

with the leggin by the country's company tente fromcer. Rhembian to built the coun-

The project is going shead a minimal impa without any state subsety from long-term, on the fuel supplies. As part of the synthesis gas as deepstock for the production of methanol, an sion of coal, p important hase petrohemical-is already opmmercally viable compared with easting pro-cesses based on natural gas and find off

The Enciporaud move is as return to the hydry of coal conversion rescript during the plant orders abroad in countries where coal can be produced much more cheaply than in Gerducts from coal and lignite is ducts from co, and lignite—is hardly yet in sight.

domestic engry resource, how- put forward by German industry ever. West Germany has little -11 were originally submitted-choice but to continue to give but pressure on the federal budit first prority in its energy get and doubts about the merits

The Government accepts that the volume of oil and gas products to be gained from coal in Germany will have only a minimal impact, even in the long-term, on the country's total

As part of the Federal Republic's overall energy plans, howsion of coal, particularly into oil products, are seen as one way of opening greater access to foreign coal reserves. Equally, is hoped that the demonstration of such technology at home will provide a springboard for the country's process, plant

ucts from col and lignite—is
ardly yet in sight.

With coal is its only major ing seven gasification projects

the early summer.

The Ministry has allocated nearly DM 1bn in its mediumterm budget planning for 1982-1985 for the funding of com-1984 and DM 500m in 1985—although the protracted horse-Bonn over future public spending cuts could still reduce the scale of this aid in later years. Government has indicated, how-ever, that it will pay up to 40 equivalent of 500,000 tonnes a per cent of the investment costs, year of crude oil. or up to 50 per cent in special

domestically produced German coal. It has agreed to pay up to DM 60 a tonne for a maximum period of five years to make up. the difference between German

and imported coal prices;

Canadian coal.

The one project where concrete progress has been made is Rheinbraun's scheme for converting around 2m tonnes a year mercial-scale coal gasification of lignite into lon cubic mercial for the plant has begun struction of this plant has begun and the first stage should be trading between the parties in completed by 1984. By the time it reaches full production in 1988 it should be producing enough gas to manufacture For the chosen projects the around 350,000 tonnes a year of Government has indicated, how-

Rheinbraun's claim that the DM 600m project is already In addition, it will offer commercially viable is only pos-limited subsidies for the use of sible, however, given the very special configuration of the group's existing lignite processing plants and allied refineries.

The projects that appear most likely to attract federal nd imported coal prices: financial aid are those put Steam coal from the Ruhr is forward by Ruhrkohle/Ruhr-

Ruhrchemie, owend two-thirds by Hoechst, the chemicals group and one-third by UK Wesseling, have approached the Government for aid to support plans for building a DM 190m plant at Oberhausen in the Ruhr for converting 250,000 tonnes a year of German hard coal into 400m cubic metres of synthesis gas. The gas will be used as a

chemicals feedstock. Klöckner-Werke, the West German steel and mechanical engineering group, has formed the first of a planned series of joint ventures with CRA, the Australian industrial group, to strengthen its bid to the, coal gasification

It has developed its own ironbath process for producing coal gas, an industrial gas for hurning, which it aims to use at its Bremen integrated steel works to replace much of the natural gas and fuel oil burned at the site. The gas will be used for firing furnaces. Klockner esti-

The third project which appears to be winning favour in Bonn is Shell's proposal for building a DM 670m plant at Wilhelmshaven on the North Sea coast for processing 324,000 tonnes of imported coal into methanol. The plant could produce around, 600m cubic metres of synthesis gas and 215,000 tonnes a year of methanol.
According to Shell, planning
the plant could form the first building block of a potentially massive gasification complex for

hard coal a year. Shell has taken an option on a 279-acre coastal site, but there appear to be growing doubts in the company as to whether the time is ripe for embarking on such a massive investment. Within the group there are rival plans for building a coal

converting up to 5m tonnes of

gasification plant at Moerdijk in the Netherlands to produce a burning gas for use as a power

currently costing around DM 239 chemie, Klöckner and Shell, mates the costs of the plant at station fuel. Even with full a tonne (of coal equivalent) which all involve the testing on nearly DM 600m. It plans to Government backing, the

few ideal coastal sites in Ger-many, however, for large-scale imports, and the scheme would provide Shell with a first opportunity to test its new coal gasification technology on a full demonstration scale.

Bonn accepts that the commercial risks of all these projects are so great that none will be built, at least in the foreseeable future, without state aid. The Federal Research and Technology Ministry has spent DM 970m since 1973 on sup-porting coal conversion prohas seven gasification pilot plants in operation, a further coal liquefaction pilot plants (built by Ruhrkohle/Veba and

were commissioned last year. itself earmarked some DM 950m of this will help to fund the

ction plans. Bonn is still planning to of some schemes suggest that compared with DM 157 for a commercial scale of untried, gasify imported coal—possibly Northern German plant would are still a long way from commercial scale of untried, gasify imported coal—possibly Northern German plant would are still a long way from commercial scale of untried, gasify imported coal—possibly Northern German plant would are still a long way from commercial scale of untried, gasify imported coal—possibly Northern German plant would are still a long way from commercial scale of untried, gasify imported coal—possibly Northern German plant would support of support of coal—possibly Northern German plant would support of support of coal—possibly Northern German plant would support of support of coal—possibly Northern German plant would support of support of coal—possibly Northern German plant would support of coal—possibly Northern German pl cost nearly twice as much to produce as a litte of petrol refined from crude oil.

West Germany's main hopes for large-scale projects abroad are being concentrated Australia.

In a joint DM 10m German/ Australian study Lurgi, Rheinbraun, Ruhrchemie, Ruhrkohle, Salzgitter and Uhde joined with the consulting firm Imhausen to prepare a study, published in November, into the potential for coal liquefaction in Australia, hoping to open up a hig new market for German coal technology. Massive investments will be needed, however, before the huge coal and lignite one in construction, and two reserves in Queensland, New coal inquefaction pilot plants South Wales and Victoria could he exploited in this way, and Saarbergwerke/Deutsche BP) the West Germans are also running into other problems. The The Research Ministry has Japanese are also pushing hards for a stake in this new market for the years 1982-85 for coal and have captured the first. conversion R and D, but most trick from the Germans by already starting construction on

The Westfield Reactor COAL LOCK HOPPER PRIMARY CLEAN-UP STEAM & OXYGEN QUENCH WATER = **SLAG QUENCH CHAMBER** SLAG LOCK HOPPER

Britain extends its lead in slagging gasifiers available in the world for the of substitute natural gas from coal," is how Sir Denis Rooke, chairman of British Gas, described its new

gas-making technology to the Parliamentary and Scientific This technology is the inelegantly-named slagging gasi-fier, where Britain has taken a 40-year-old German gas-making offering invention and adapted it, into guarantees." a much more versatile process,

for making substitute natural

over 300 tonnes a day. Already a record-breaking Lurgi run has been achieved by the The technology began before reactor, recommissioned last the Second World War, in the summer. But the engineers were laboratories of Lurgi. a German aiming for what they call a company, now the engineering "long demonstration run" of division of Metallgesellschaft.
up to three months of un-Lurgi developed a fixed-bed

THE BEST process currently they achieved 90 days of operation with some interruptions due to causes outside the slagging gasifier itself. British Gas is offering licences

for plants making SNG from coal, of which the slagging gasifier would be the first and most crucial stage. It is proposing reactors of up to 8 ft diameter, gasifying up to 600 tonnes of coal a day. And it is offering "full commercial

According to Mr Ray Sharman, director of British Gas's International Consultancy The latest demonstration of Service, the Westfield reactor the slagging gasifier took place is the only plant of its type in last month, when engineers the world. "I think we are at from a dozen countries were least four years ahead of our invited to British Gas's West- competitors." The project has field Development Centre in cost £30m over eight years. Of Scotland to see and hear-for this total, the current developit rumbles and roars impres- ment programme accounts for sively-a 6 ft diameter reactor about £14m. The cost is being processing coal at the rate of shared between the EEC (40 per cent), British Gas and

interrupted operation. In fact, gasifier to convert the extensive

After the war Lurgi turned to added a sophisticated system for the hard Ruhr coals but ran into tapping the slag. The complete technical and economic difficulties with its technology.

Britain's gas industry picked sketch. up the technology with the idea of trying it under "slagging" conditions, which is to say that the industry believed it could operate it hot enough to melt the non-combustible part of the coal to a molten slag, which would not clog the reactor. This was first done on pilot-plant scale at the Midlands research station of British Gas in the early 1960s.

On a development programme largely underwritten by U.S. contracts, British Gas revived the technology in the early 1970s. Westfield, formerly a gas works" making oldfashioned town gas by the Lurgi process, was transformed into a development centre. One of its gasifiers was extensively modified into a demonstration slagging gasifier.

The original reactor was relined, to resist the higher corporation expects to have this operating temperature, reducing in operation by the end of 1983.

what now is East Germany. British Gas engineers have gasifier, including its coal feed. is shown in the accompanying

> Dr John Gray, director of re-search at British Gas, describes the trial as a "real-life demonstration" with British coal. The system is proving remarkably robust, he claims.

> Interruptions through minor breakdowns of ancillary plant have not upset the overall performance of the reactor, which can be started from "empty" to produce gas in only four hours. It can be shut down to "hot in minutes, held in standby" this state for at least 48 hours. then restarted. This is the kind of cycling expected of a production process required to keep up the pressure of gas supplies.

Meanwhile, another of the four original Lurgi gasifiers at Westfield is being modified to make a much bigger slagging gasifier, of 8 ft diameter, capable of consuming more than 500 tonnes of coal a day. The its internal diameter from 9 ft. And it is hoped to find ways of

ing it, as is being done now. to be developed into a different version of the slagging gasifier is to determine just how when funds are available. The much fines the slagging gasifier aim here is a reactor capable of handling run-of-mine coal, can contain up to 50 per cent mental pollution. Many may be of coal dust (or fines). For some required in the next century while British Gas researchers have had ideas for a composite methane. But Dr Grav is con-

both fixed-bed (Lurgi) and en-

trained-bed gasifiers. The composite gasifier has now been abandoned. In its glassy frit. place is a plan for an experiof fines, partly by injecting the partly by injecting it through

For this demonstration a reactor of 3 feet diameter is envisaged, fully-instrumented. consuming about 100 tonnes of coal a day. The gas will be used to optimise later process

lignite (brown coal) deposits of to 6 ft. Beneath the reactor using the gas, rather than flar- stages-including gas clean-up A third Westfield gasifier is of coal into SNG. Part. of the programme, already in hand. can handle in this way.

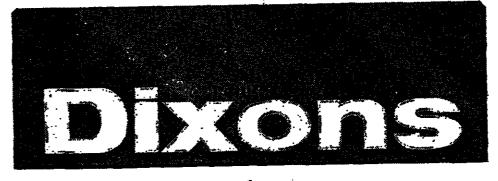
Inevitably, the slagging gasiwhich with the most advanced fier is being questioned as a methods of mechanised mining potential source of environto replace North Sea sources of gasifier combining in one rather fident that the slag itself-0.55 complex reactor the features of tonne for every 50 tonnes of coal consumed-will present no problem. It emerges from the water quench as a clean, black.

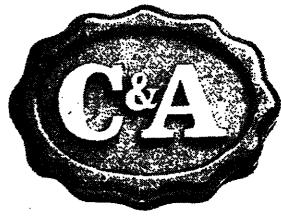
Research by the corporation's mental coal gasification plant at London research station has Westfield. At the heart of this confirmed that the slag has proplant will be a slagging gastfier mising possibilities for the which burns high proportions cement industry. Sulphur can also be reclaimed and sold, coal dust through the feed British Gas claims. Moreover. hopper with lumps of coal, and its experiments suggest that concentrated liquid effluents the tuyeres with the oxygen. from such a process can be purified on-site by biotechnology.

> By David Fishlock Science Editor

All these people have discovered how to squeeze money out of thin air. Pational Westminster Bank









mic Key Markets



Reduction of the contract of t

de Barnsley Chronicle.

John Menzies

In a recent article. The Times described the heat pump as a 'something-for-nothing technology'.

Little wonder, then, that more and more commercial operations are turning to electric heat pumps to solve their heating requirements.

All the concerns appearing in this advertisement have found electric heat pumps to be highly cost-effective. regardless of whether they are being used to heat a small .High Street shop or a multi-storey building.

Even in mid-winter, an electric heat pump install ation extracts useful heat from the environment literally from thin air. And with an output of around two-and-a-half times more energy than it consumes, the heat pump can produce dramatic savings.

Then, when cooling rather than heating is demanded. electric heat pumps can simply switch over to provide a flow of cool, fresh air.

Bernard Hough at The Heat Pump and Air Conditioning Bureau has a rapidly growing portfolio of electric heat pump case histories.

If you send him the coupon or ring him on Freefone 2282, he will be delighted to give you the facts. And, of course, to add your name to that list.



Post to The Heat Pump and Air Conditioning Bureau, 30 Millbank, London SW1P 4RD. Please send me all

Reagan keeps on smiling one year on

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

Ronald Reagan is one of the groups-best U.S. Presidents ever. Most

instinctive and enthusiastic economic performer in front of the camera and is always ready to oblige plain that every single shot trol Systems (AWACS) to shows him smiling broadly, Sauci Arabia in the autumn. even when he is announcing un-

appear to be, friends with every-one. But it is also true that in the course of his first year & His cheerful recovery from a the White House he has had plenty to smile about. The question that Washington is asking as he starts his second year today is, how long can he

keep it up? Mr Reagan's first 12 months have in many ways been remarkable. He has shown a mastery over Congress that certain exceptions, he has done many political experts believed to be no longer possible in an age in which the President's logical opponents respect him power was thought to have declined in face the of increas-

FOR THE press photographers ingly influential Congressional who cover the White House, Mr committees and special interest

Most notably, he has pushed The former cinema actor is an through a highly controversial economic programme, even though the House of Representatives is technically controlled with a special, highly profes by the Democrats, and scored sional pose. There is just one problem. The photographers' editors are beginning to com-

palatable news like budget cuts. persuasive charm, partly by That is part of the man's style exploiting his popularity and there is nothing he likes television skill to appeal to the better than to be, or at least to nation over the heads of Congress and partly by tough, classical political horse-trading. painful assassination attempt at the end of March only added to his charisma.

He has shown himself, as Mr James Baker, his Chief of Staff. put it this week, the most "ideological" president of re-cent years. This has tended to him predictable. With

In foreign affairs, Mr Reagan

gave no specific reasons why it

had decided to withdraw from

Exxon had already consider-

As most of Australia's

reaping windfall profits from

the rezoning of rural land for

Mr Howard described yester-

day's changes as "fine tuning'

of what was otherwise a very

successful foreign investment policy. He stressed that foreign

capital was needed and wel-come in Australia The Govern-

ment is expecting foreign in-

right to protect our national









Isuzi ti introdu into Eu

has been remarkably adept at getting on friendly terms with other world leaders—although he has yet to try his charm on Mr Leonid Brezhnev, the Soviet

He skillfully escaped from tight corners at the two international summits he has so far attended — the seven-nation Ottawa in July and the 22nation North-South summit in Cancun, Mexico, in October. At the first, Mr Reagan evaded a public roasting by the Europeans over high U.S. interest rates. At the second he dodged similar treatment from the Third World over his laissezfaire development policies.

In a number of spectacular gestures, he has shown the toughness which many Americans expect of their presidents. The two most obvious were the shooting down of two Libyan fighters over the Mediterranean in August and the sacking of the air traffic controllers, who challenged him with an illegal

To Americans, if not the rest of the world, the downing of the Libyan jets brought an outpouring of national relief that the U.S. had finally accom-plished a military feat efficiently—after years of post-iVetnam agonising and the disastrous prone term of President Jimmy Carter. It may not in itself have been

very glorious exploit. But it seemed symbolic of Mr Reagan's U.S.—a re-awakening giant U.S.—a re-awakening giant which enemies provoked at their

Mr Reagan has none the less shown that he is no puppet to the powerful Right-wing forces which helped win his election in 1980—most recently, for instance, by refusing Taiwan's request for advanced fighter air-craft so as not to upset Peking. He can, of course, afford to do it. There is no Democrat candidate on the horizon for whom the moral majority is

of Mr Reagan's mist you, are nearly all balanced by a real, or potential, minus. If White House, together with the he scored highly against Libya free-spending image of Nancy over the jet fighter incident, he Reagan (probably the least has suffered considerable ridicule over the alleged Libyan assassination squads which were supposed to have come to the Few people believed the story ---even the FBI confessed its doubts-and the hit squads now as mysteriously as they arrived.

Although he may have been devastatingly successful in pushing his economic programme through Congress, it remains to be seen whether it is the right programme. With recession tightening its grip and 9.5m out of work, an increasing number of Americans believe that it

the air traffic controllers, while it appeals to the buccaneering, as racist. anti-union spirits of the south and west, has united the pre-

The glitter of the Reagan White House, together with the popular First Lady for many years), have only helped to convince less privileged Americans that Mr Reagan represents big husiness and the rich. Even the capitalists of Wall Street have so far shown little faith in his conomic policies.

Mr Reagan's praised predict- notable ability can also be seen as Allen. obstinacy—as, for example, over his refusal to cut into sacrosanct defence spending increases or modify his income tax reduction programme, in spite of the insistence of many of his economic and political advisers. There is no doubt that many. poor Americans are frightened not. and confused by reports of his His disdainful treatment of axing of social programmes, while many blacks regard him

> The toughness of his unanti-Communist foreign policy may reassure

those Americans—and they are the vast majority—who want to see the country strong again. But it has also terrified many of his allies, particularly in Europe, even though the American Right thinks it is not nearly tough enough, particu-larly over Poland. As in so many U.S. Administrations, political in-fighting has

been one of the hallmarks of Mr Reagan's first year, the most notable loser being Mr Richard the President's first as National Security Adviser, whose resignation was extracted as painfully as a sore tooth earlier this month. But scandals and allegations surrounding other influential government members have also contributed to the Administration's slightly sleazy big business

Mr Reagan is bound to face far greater difficulty both with the general public and in his relations with Congress in the

tion of lepublicans and Right wing Denocrats will be under increasing strain, while politicians turn increasingly to vote getting gress roots issues and shrink from the rigours of Reaganomic Divisive social issues like shortion and school busing lie alead.

But it would be wrong to underestimate the underlying support for sone of Mr Reagan's hished yesterday showed only #9
per cent of the public approved of his handling of the presi-dency against 51 pel cent for Mr Carter after one year in office. Fifty one per cut said they believed Reaganomics had hurt the economy so far. But a surprising 60 per cent said they thought the Reagan economic programme would eventually help the nation.

As for Mr Reagan himself appears to believe that as long months ahead. With the mid as he keeps smiling, his luck term Congressional elections will not desert him.

Libyans pay \$95m for Exxon's abandoned assets

BY PAUL BEITS IN NEW YORK

LIBYA HAS paid \$95m (£50m) condemned in the stronges in compensation to Exxon for terms by the Government in the assets of the world's largest oil company in the north

The assets include four oil Libya after operating there for concessions, a small refinery and 25 years; but the oil industry a natural gas diquefaction plant, suggested the company was con-Although their book value is cerned about the worsening of estimated at more than \$120m. U.S.-Libyan relations and feared the payment is significant reprisals because the oil industry had Exxon earlier thought Exxon would ably reduced its purchases of receive no compensation at all .- Labyan crude because of the

Exxon decided to abandon all high price of the country's oil its operations in Libya last in an increasingly slack oil November, a move which was market.

Savers prove reluctant By Anatole Kaletsky in

U.S. PEOPLE saved a smaller proportion of their incomes in 1981 than in 1980, according to figures released by the Commerce Department yesterday. Personal savings fell to 5.3 per cent of disposable incomes in 1981 from 5.6 per cent in 1980. The figures underline one of the major difficulties faced by the Reagan Administration. A big increase in personal savings in response to tax cuts has been

But so far there has been no real indication that U.S. citizens are inclined to change the spending and saving habits of

Benny Hill leads video assault on U.S. market

BY IAN HARGREAYES IN NEW YORK

BENNY HILL, the British a regular feature of U.S. tele comedian and master of the innuendo, is about to lead another export assault Thames Television announced yesterday that one-hour video-cassettes of Hill's shows will be its first products in a new joint venture with Thorn-EMI, which gives Thorn's video pro-

gramming division exclusive

rights to sell tapes of Thames

Television programmes in the

fact that Benny Hill's plump amenable to frequent interrupgrin and lecherous teasing are tion by television commercials.

· vision. It was not always so, Muir

Sutherland, managing director of Thames Television International, recalls. His staff spent eight years showing Benny Hill clips to unimpressed U.S. television executives. Then in 1978 someone thought of re-mixing bits of Hill's shows, which have been produced for over 20 years. cutting out the slower, connecting parts and delivering a series rapid-fire snatches more

Pan Am chief expects rise in airline traffic NEW YORK-Pan American

World Aiways expects domestic airline traffic to increase by about 5 per cent this year on a evenue passenger mile basis. Mr Edward Acker, chairman of Pan Am, said yesterday that industry would record a "robust" summer and continued industry would gains in the autumn. Mr Acker said international

traffic would also show modest gains in 1982. Fuel costs for the industry would stabilise or perhaps show a slight down-turn. Pan Am's fuel costs per gallon would decline but overall fuel expenses would rise due to higher consumption,

Brazil falters in struggle with foreign debt burden

BRAZIL slipped back last year. A healthy visible trade sur-in the struggle with its foreign plus of \$1.2bn helped to pro-debt burden. Debt servicing duce an improvement in the ate up 72 per cent of export current account deficit. But

Net debt servicing in 1981 amounted to \$16.8bn (£8.9bn). Of this sum interest payments were \$10.2bn, more than 50 per cent above the official prediction at the start of the year. appointing commodity prices. But the impact of this gain was

ate up 72 per cent of export current account deficit. But earnings, as against 65 per cent Brazil's external services account worsened, with the overall deficit rising 22.4 per cent to \$12bn The Central Bank has given

no sign of changing its external strategy, even though Exports rose by 16 per cent the 1981 accounts represent a to reach \$23.3bn, despite discrete represent of the pro-fitted clear reversal of the predicted improvement in the main indiwiped out by record interest cators from their previous worst point in 1979.

OVERSEAS NEWS

Australia to change foreign investment rules on rural land

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA IS to tighten of the substantial amount of foreign investment rules govern-capital involved in minerals ing minerals processing and the processing, it would be inappropurchase of rural land priate to specify a rigid Aus-Announcing the results of a tralian equity figure. But in new cobinet review of the rules Mr refining and smelting ventures. can Howard, the Treasurer, the Government wants to see said that in future foreign more Australian participation purchasers or rural land would than in the past. have to prove that their investment would result in net minerals processing companies economic benefit to the country. are multinational mining com-The move could affect institu- panies, the Government has tional investors from Britain,

such as pension funds, which mineral prospects if it feels the have been investing increasingly in beef cattle properties in In future, rural land purchasers will have to demonstrate to the Foreign Invest-

ment Review Board, the Govern-ment's watchdog body, that new he introduced which will benefit

In minerals processing, the Government will in future be seeking "maximum oppor-tunities for Australian equity." At present minerals processing regarded as manufacturing and, therefore does not come under the Government's requirements on new mining ventures for at least 50 per cent Australian ownership and control, except for uranium mining, where the level is 75 per cent Australian equity.

Mr Howard said that in view

BY DAVID DODWELL IN MANILA

They claim the 5,300 ton ves- security

island of Mindanao.

line on Japanese tanker

Government escape boarding. officials yesterday insisted that Mr Carlos Romulo, the Philip-

the Japanese tanker Hegg, pines' Foreign Minister, said strafed by Philippine Air Force yesterday that the "intercep-

aircraft last Friday, was still tion," in which two crewmen suspected of having tried to on the Hegg were understood

land terrorists and armaments to have been injured, "was a on the troubled southern legitimate exercise of our

sel, supposed to be carrying. His belligerent stance under-

chemicals, was flying no flags. scores the extent of Government was far off its claimed route concern over the growth of from Singapore to Puson in terrorist activities in Mindanao. South Korea, refused to answer Moslem. separatist guerrillas.

challenges from either the members of the Moro National Philippine Navy or Air Force Liberation Front (MNLF),

after entering Philippine terri- have been waging a war of

torial waters off Davao del Sur independence for nine years in in southeast Mindanao, and the predominantly Moslem took clear evasive action to areas of western Mindanao.

Ghana hopes to revive economy

By Quentin Peel, Africa Editor, 'in Accra

THE REVIVAL of the economy and the creation of a base for sustained economic growth is the fundamental challenge facing Ghana's new military-led regime, Flt Li Jerry Rawlings, chairman of the Provisional Defence Council (PNDC), has an-

In his first major Press

conference since the New Year's Eve coup which over-threw the civilian govern-ment of Dr Hilla Limann, Fit Lt Rawlings sought to re-assure both Ghanaians and some power to withold valuable companies are not taking account of the Government's the international community about the intentions of his The changes in rural pur-chase rules are designed to dis-courage absentee landlords and new administration. While he repeated a warning that in-dividual foreign investment agreements would be re-viewed, he stressed that "our speculators from abroad. Rural groups claim they are pushing foreign obligations and re-sponsibilities still remain." up land prices while allowing properties to deteriorate, and

Fit Lt Rawlings stopped short of spelling out a specific economic programme, but announced that a "comprehensive review" of the domestic economy was being carried out, "to initiate plans for the elimination of corruption and inefficiency and ruption and inefficiency, and to huild the basis of a sound and sustained economy."

vestment in the fiscal year to The change of government has brought day-to-day ad-ministration almost to a stand-June 30 to be around the same as last year's record A\$6.6m (£3.9m). still although business has Tariff call and uranium pact, revived in the market, with a significant reduction in the astronomical black market prices being charged. Some goods, such as rice and sugar, Philippines sticks to hard are already disappearing, how-over, either because they have sold out at the lower prices, or because traders have started hoarding them.

While Fit Lt Rawlings has declared a "holy war" on corruption, and is also committed to the abolition of the blackmarket trading system, he told the Press conference: We are not claiming that corruption is the fundamental problem of the economy." Ministers, however, were to be selected from "people who are competent, committed, and of spotless integrity."

On foreign investment. Fit Lt Rawlings said that although all existing agreements had been signed in terms of a strict investment code, "individual agreements will need to be looked into, if they turn out to be inimical to our interests."

Alain Cass, in Bombay, examines a major threat to official trade unions

Indian textile workers sweat out deadlock

Mixed response to strike call

self-deprecatingly, wiggled his head in that peculiar Indian manner and said: "Violence doesn't solve anything. The charges against me are all proozganda."

henchmen His approvingly, while Dr Data Samant self-appointed protector of the underprivileged, scourage of bosses in the industrial heartland of India, sat back. satisfied.

Outside his Bombay headquarters, a squat mud-brick building in one of the city's industrial suburbs. small knots of workers milled expectantly. The around Samant pennant, a factory and a clenched fist, hung listlessly in the heat from a makeshift

The city beyond was like a ghost town compared with its normal, exuberant self. Virtually every shop, factory. school and office was shut. Riot police patrolled main roads and silent factories. By this morning, most estab-

lishments will be open again. The general strike, called by official unions opposed to Mrs Indira Gandhi, the Prime Minister, will be over. But the extile factories will remain shut. These are likely to remain in the grip of a bigger dispute for weeks, possibly months

The strike, over a 50 per cent wage demand, affects 62 mills employing more than 250,000 which account for workers. more than 30 per cent of India's textile production. major trial of strength between Dr Samant and the employers. representing the latest move in his climb to national prominence as the country's most successful and feared unofficial

It is also a challenge to

PRIME MINISTER Indira call for the strike as a Gandhi appeared to have personal challenge and had emerged victorious in her first ordered the cutire official major confrontation with the apparatus in the country to sure that it did not succeed. epposition-led trade unions yesterday when a call for a countryside general strike by Her efforts were largely successful but at the cost of the six major labour organisations arrest of more than 8,000 went largely unheeded, except labour leaders before the

West Bengal and Tripura, K. K. Sharma writes from New Mrs Gandhi had taken the

in the Marxist-ruled states of

trade unions and to the political

parties which they support un-

swervingly. The strike has also

raised fears of widespread violence and intimidation, a

fairly new phenomenon on the

In a recent letter to the state

government of Maharashtra,

Bombay's major employers claimed that the "deterioration

in law and order now borders

on chaos." They said violence and intimidation, including

murder, was now part of the

industrial scene, and detailed,

several hundred cases of

assault, accusing Dr Samant

fomenting violence. The em-

ployers want tougher action.

including a special vigilante

force, like the one operating in

nearby Gujarat state, to protect

workers and premises.

costs have risen steeply.

Indian labour scene.

In New Delhi most Govern-

ment offices and public services operated normally, although police and para-India's long established official

major crisis," said one mill owner, "and while we may be glad to thin out our stocks in the short run, without produc-

Bombay's entire textile workable firebrand. He is a chubby,

soft spoken general practitioner

The strike also comes at a had time for India's textile industry-the country's biggest foreign exchange earner. Stocks are high, due to depressed demand, profits are low, while "We're passing through a

ing, a long strike could cripple

force, disgruntled with the Indian National Trade Union Congress, the major union which supports Mrs Gandhi's Congress (1) Party, has defected to Dr. Samant Dr Samant is a most improb-

in his late 40s. He began his career as a trade union activist up the cause of quarry workers. "They were paid 3 rupees given their employers (17p) a day. The employers months' protective notice locked them out, the police expires on February 15. charged the demonstration we held, I was badly burt and so were a lot of others. The action lasted 40 days, but 10,000 workers had their pay doubled." That was in 1967. In the years that followed, hundreds of thousands of workers, disap-

call. He claims to have intervened successfully on behalf of more than 1.5m workers in 6,000 "I get results— economic gain. immediate

That's why the workers come."

streets. Some arrests were

reported. No indications of

support for the strike from

other cities were available

because national news agencies

The strike was called in

protest against the powers

assumed by the Government

for preventive detention and

for banning strikes in essen-

did join the strike.

tial services.

he says.

Dr Samant's targets have included the Premier Automobile Company, which manufactures Fiat cars, Siemens, the Godrej empire, as well as a number of smaller and more vulnerable enterprises.

The Siemens strike lasted eight months, the Premier stop-page three. His latest target, the Indian Express Group of News-papers, have refused to talk to him, declared a lockout and given their employers timee months' protective notice, which At the end of the battle with

Premier, the grateful work force gave Dr Samant a car in appreciation of their huge pay rises. He has, by his own admission, been prosecuted for murder three times, arrested about 50 times, and once jailed for a pointed with the results year. Each time he was obtained by India's handful of acquitted. Dr Samant currently

instigating a riot, and causing an illegal strike hanging over him. This does not seem to cause him worry. "If they arrest me, it won't get the workers back to work," he sid.

The man the India Press now calls a phenomeon is a creation of India's polical system. Indian unions are effectively the labour are of their respective political arties, delivering votes at electon time in return for political atronage

The situation ir Maharashtra is complicated besuse Mr A. N. Antulay, the colef Minister there, Mrs Gand's representative in the stat, was recently fired in the wke of a major cement scand. His successor is due to be apointed later this week. One curse open to him will be to sclare the textile strike illegs on the basis that Dr Samant' union has not followed the stablished procedure of being sted for in factory ballots, isprison the leaders, and hope he strike fizzles out.

Were tat to happen, it would be a mair blow to Dr Samant's undouble political ambitions. Some oservers believe that Dr Samanias already reached his peak of that his lack of a sound or ainsational base will let an Hown if Mrs Gandhi decids to throw her full weight

phers are not so sure. One executive who was knifed and spisequally paralysed while regotiates with the unions on regotiating with the unions on tehnif the local subsidiary of a mor UK company, said: That's wishful thinking. There's plenty of discontent among forkers here. The only way topical with Samant is to pointed with the results year. Each time he was tackle hat discontent Some obtained by India's handful of acquitted. Dr Samant currently compales are doing it, but has one murder charge and otherste not. So all go on

Egypt and Israel ready to sign Sinai agreement

BY ANTHONY MCDERMOTT IN CAIRO

day set to sign an agreement would open the way to Israel's final and smooth withdrawal from Sinai, which it captured in the 1967 Arab-Israeli war.

"We really feel. Mr Sharon "that we are at peace." which, barring a few details, Israel is due to complete its withdrawal on April 25. Agreement was reached on Monday that the islands of Tiran and Sinafir at the en-Two days of talks largely trance to the Gulf of Aqaba between Mr Ariel Sharon, should be under the control of should be under the control of Israel's Defence Minister and the Egyptian civilian police to return after the withdrawal Mr Kamal Hassan Ali, Egypt's after withdrawal, as the terms date to remove remaining equip-Mr Kamal Hassan Ali, Egypt's after withdrawal, as the terms date to remove remaining equip. Syrian claims that missiles had foreign Minister, were conof the Camp David accords ment But, according to officials been fired at Israeli fighters ducted, according to Mr Sharon, require. As these islands were attending the talks, further flying over Lebanon. Syria says in a "wonderful atmosphere." leased in 1954 from Saudi negotiations are needed to it fired Sam-5 anti-aircraft

Arabia, Israel has been asking determine the future status of misses at patrolling Israel that they should be put under the small tourist resort of Taba jets jut to issed, near Eilat on the Gulf of Agaba T military spokesman in peace-keeping force which is to patrol the last area of Sinai. It was also agreed yesterday that the Israelis in the troublesome settlement of Yamit in north Sinai might be permitted

Aviv: Israel yesterday denied

near Eilat on the Gulf of Agaba
and whether the town of Rafah. Telavin said that Israeli in which straddles the horder carried out a routine between Egypt and the Gava strip should be split or reduction the Strip.

David Lennon adds from Tel military spokesman in Telavin said that Israeli in the Gava reduction out a routine reduction of the split of the pure should be split or pure fined at the Aviv: Israel yesterday denied the spring record that the said that Israeli was the said that Israeli and Isr

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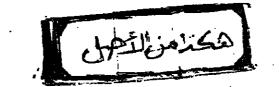
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Isuzu truck introduced into Lurope

GENERAL MOTORS is to bring

GENERAL MOTORS is to bring into Europe another commercial vehicle from Isazu, its associate in Labim.

At the Genera brick show later this week Gos will display the Isazi TLD, a sidell truck of 42 to 53 tonnes goes vehicle weight.

GM says the Europe fills a gap in the product plage of Bedford, its British commercial vehicle subsidiary. Bedford's CF van has a harimum weight of 3.5 tonnes, while the Bedford TK/TL trucks start at 5.7 tonnes.

GM, which has owned 34 per cent of Issizu for 10 years; intends for the time, being to sell the TLD only in Switzerland, a non-EEC country with no restrictions on Japanese vehicle imports

The group uses an Isuzu pick-up, the KB, to fill another gap in the Bedford product range in the UK and other parts of Europe. But the voluntary restrictions agreed between the British and Japanese industries in 1975 prevent any direct import of Japanese commer-cials of more than 3.5 tonnes to Britain.

A Bedford official said yester-"Even without the voluntary restraint system we would not want to bring in the TLD at

Seiko in Hong Kong deal

THE SEIKO group, the world's

largest maker of watches, is to establish what appears to be the first joint venture in Hong Kong involving both foreign and Chinese mainland capital.

The new company, owned equally by the Japanese group and the China National Light Lodustrial Products Import and Export Corporation in Peking.

The idea for such a venture which a venture originated on the Chinese side, which through a Hong Kong the Talyo Koeki Company, are based subsidiary of the China K. Hattori said the new venture originated on the Chinese side, which serves as co-ordinator and sales outlet for the group, and the Talyo Koeki Company, are the other two Japanese partners. K. Hattori said the new venture originated on the Chinese side, which serves as co-ordinator and sales outlet for the group, and the Talyo Koeki Company, are the other two Japanese partners. K. Hattori said the new venture's output would be marketed worldwide as part of its overall sales. There are no special plants to ship the watches, which already operated a worldwide as part of its overall sales. There are no special that the proving the company is a special to the company, are the other two Japanese partners. K. Hattori said the new venture's output would be marketed worldwide as part of its overall sales. There are no special that the proving the company is a special to the company, are the other two Japanese partners. The members of the China sales outlet for the group, and the Talyo Koeki Company, are the other two Japanese partners. The members of the China sales outlet for the group, and the China sales outlet for the group, and the Talyo Koeki Company, are the other two Japanese partners. Industrial Products Import and group, which already operates Export Corporation in Peking, two watch assembly plants in may serve as a model for other Hong Kong, along with a foreign companies planning to Japanese trading company, invest in Hong Kong as the scheduled 1997 deathing for reversion to mainland control

will produce watch cases and assemble watches using mechanisms supplied from Japan. Production, with capacity of about 1m units a Seikosha and Suwa Seikosha watches to the supplied contractor for the two plants already owned by the Daini Seikosha and Suwa Seikosha year is expected to begin in

agreed to co-operate with the Chinese by taking a 50 per cent share in a newly capitalised draws near.

The joint venture with Selko vestment to HK\$2m (£181,000).

Will produce watch cases and For Selko the new company

The idea for such a venture which serves as co-ordinator and

ments at first, to China Seiko was clearly motivated to accept China's proposal in Hong Kong out of concern for what will happen to foreign investment after the expiry of the New Territories lease in 1997. But the idea of a joint venture also has the more immediate advantage of allowing a joint foreign-Chinese Government capital venture to skirt the problems which still members of its group, K. block the formation of a joint Hattori and Company of Tokyo, venture in China itself.

Egypt to receive Y46bn loan package

THE JAPANESE Government yesterday agreed to extend a yen loan package worth Y46m (£108m) to Egypt for the current Japanese fiscal year. This respresents a 23 per cent increase of loan commitments to Egypt over the previous

Michio . Watanabe, Japan's Finance Minister, is visiting Egypt as part of a tour of the Middle East. The loan brings the total

economie assistance

granted to Egypt by Japan since 1973 to \$1.1bn (£591m). After the U.S. and West Germany, Japan is the third largest aid donor to Egypt. The terms of the aid are as

before, namely 3.5 per cent interest with repayment over 30 years, including a 10-year grace period. The loan will be used to

finance seven projects. Of

these the most significant is the \$49m allocated for the

partial financing of the second

phase of the widening and deepening of the Suez Canal. It had been anticipated that Japan would extend \$250m worth of soft loans towards the cost of the project. estimated at \$750m.

There have been doubts expressed even by Mr Mashhour Ahmed Mashhour, the head of the Suez Canal Authority, whether Egypt would go ahead with this until new studies had been com-

Uranium agreement with Japan

JAPAN AND Australia have initialled the text for a Nuclear Safeguards Agreement paving the way for exports of Austra-lian uranium to Japan.

The agreement, which still has to be formally ratified by both sides, was drawn up after more than two years work by the negotiating teams. Exports of Australian uranium to Japan under new contracts could begin in March.

Australia currently supplies Japan with small amounts of uranium under contracts signed before Australia's nuclear safeguards policy came into force in 1977.

Japan's reluctance to agree to Australia's nuclear safeguards threatened to hold up shipments of uranium from the new Ranger mine in the Northern Territory.

The mine operator, Energy Resources of Australia, which is partly owned by Peko and Ez, has contracted to supply Japan with 13,413 tonnes of uranium between March this year and

The text of the proposed agreement was not released, but it is understood that Australia did not depart from the general terms used in the previous nine accords signed with 16 countries, including the UK, and

These require Australian permission for resale and repro-

Call to cut Australian tariffs

FIVE MAJOR mining companies effective non-tariff forms of growth and trade fell in comhave lent their support to antiprotection forces in Australia with a call for a substantial reduction in tariffs and other forms of assistance to inefficient manufacturing industry.

In a submission to the Government's advisory body on tariffs, the Industries Assistance Commission (IAC), the group which accounts for 10 per cent of Australia's total annual export income, has called for the dismantling of government assistance to industry, except for a standard tariff of 15 per cent and generous depreciation allowances to enable business to write off for taxation pur-poses the cost of new capital

reductions in protection. The IAC is also inquiring into ways of making more efficient and

assistance to industry, such as export incentives and taxation This week's submission from the group of mining companies comprising CRA, MIM, Renison Goldfields Consolidated, Cliffs Western Australian Mining and the Western Mining Corpora-

tion, called for the phasing out over 10 to 15 years of existing forms of assistance. These in clude restrictive quotas on imports, export incentives, research and development grants, investment allowances and a range of bounties and

subsidies, The submission also called for a free exchange rate and the elimination of exchange con-

The IAC is holding public trois, hearings on options for general The group says protection of Australian industry has been a failure., In the last decade Australia's level of economic

parison with other countries, and employment fell in the most heavily protected industries. Money saved from the abolition of government assistloss of tax revenue from an accelerated deprecation allow-

ance, the group says. The strong anti-protection case from this influential group, led by one of Australia's most respected businessmen, Roderick Carnegie, chairman of CRA, is a Shot in the arm for the anti-protection lobby.

The Government's post-1984 plan for protection of the motor vehicle industry, announced a month ago, although no sur-prise, was nevertheless a disappointment to free traders, maintaining high tariff barriers and the system of restrictive

Canada in N-pact with Cairo

EUYPT and Canada have signed draw more than half its energy in Cairo were describing the an agreement worth C\$12m from eight nuclear plants. So agreement as one of "principle." (£5.4m) to enable co-operation far the intentions are for orders in the fields of anarous in t in the fields of energy, in particular nuclear energy.

Under the agreement, which takes the form of a grant, C\$4m will be available for training workers at nuclear power

The use of nuclear power is central to Egypt's long-term energy strategy, and by the end of the century it plans to nuclear equipment." But officials nology from Canada.

of two plants from each of the France, and Germany.

An official statement said of the Canadian agreement that nuclear co-operation included "the purchase by Egypt of Canadian reactors, technology, uranium, heavy water and services to operate transferred

spent on new solar and wind energy projects, and C\$3m within the agreement in energy feasibility studies.

Renter reports from Ottawa: Canada's anti-nuclear lobby has condemned the agreement clearing the way for Egypt to buy nuclear reactors, fuel and tech-

1

Babcock Power in £36m Zimbabwe boiler contract

BY OUR WORLD TRADE STAFF

BABCOCK POWER, part of the Babcock International group, being provided through a buyer has received a letter of intent credit from Lazard Brothers, the for the sale and installation of London bankers. The credit is two coal-fired steam generating units costing £36m from the Electricity Supply Commission

the Wankie power station, has taken an 18 months option on the purchase of one or two further units, depending on future

The equipment will be manufactured at Babcock's Renfrew plant, which is already handling boiler contracts for the much larger Castle Peak power de-

Finance for the equipment is being provided through a buyer backed by the Export Credits Guarantee Department.

• GEC Mechanical Handling is of Zimbabwe.

The commission, which needs the units for the expansion of plant expansion at the Auckland plant expansion at the Auckland works of New Zealand Steel in a £2m contract placed through GEC (New Zealand). This arrangement is part of a de-

velopment being engineered by Davy McKee (Minerals and Metals), part of the Davy group. Vickers Instruments of York has received an order for £1.3m velopment in Hong Kong of laser rangefinders for Babcock won the order after Nigeria. Delivery starts in fending off competition from 1983. The range inders will be Stein Industrie, a French com- used on tanks being manufacpany in the Alsthom group, and tured by Vickers Defence Skoda of Czechoslovakia. Systems.

Before a pilot is cleared to fly a new type of aircraft on routine passenger flights, he must undergo an exhaustive training course.

He must become so familiar with the controls and flight characteristics of the aeroplane that he could almost fly it in his sleep. And meet any emergency with the calm and confidence that is born of complete familiarity.

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A 747 uses over 3,000 gallons of fuel an hour at normal cruising speed. That's more than an average British motorist consumes in ten years of normal driving.

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Or, indeed, whenever we feel we have made a real contribution to the safety, comfort or convenience of people anywhere.



Mexico and | EEC curb Soviet oil swap talks

Mexico City

THE VISIT to Mexico this week of Mr Vladimir Morozov, the head of the Soviet Petroleum Marketing Agency. has heightened speculation that Mexico and the Soviet Union are renewing efforts to establish an oil swap deal tivolving the two countries,

Caha and possibly Spain. Hr Morozov is talking with officials at Pemex, the state oil concern. When he arrived over the weekend, he confirmed he would touch on a swap arrangement in his

After the swap deal, which has been mooted for a long time, but has so far come to nothing, Mexico would supply oil to Moscow's client, Cuba, and Russia would supply

Spain.
The deal would be advantageous for Moscow, which mest pay high transport costs for shipping oil to Cuba. The Caribbean island is only a day by ship from Mexico.

But the arrangement would et be advantageous for Mexico, since the country sells its oil "free on board." Commercially, it makes no difference to Mexico where its oil goes, since it does not pay

the transport bill.

A swap deal involving Cuba would also incur the wrath of Washington, although now that Mexico is the world's faurth largest oil producer the Government is less concerned about how its powerful

neighbour might react.

Mexico and Cuba enjoy
good relations, and Sr Jorge Diaz Serrano, the former head of Pemex is now Mexico's mhassador to the Soviet

on Russian watches

RUSSIAN WRIST-WATCHES are the target of tough antidumping measures by the European Commission, with provisional duties of up to 23.6 per cent now being put on mechanical watches and movements pro-

duced in the Soviet Union. Annual sales of Russian watches in the EEC total an estimated \$58m (£31m).

Britian, and more particuarly the Timex Corporation of Dundee, is the main beneficiary of the move to stem surging Soviet exports of the watches. Timex is the leading producer in the EEC of mechanical watches, and has come under serious pressure from Soviet exports which have been sold with a dumping margin of up to 43 per cent

The Commission's decision to impose provisional duties follows a complex anti-dumping investigation launched in mid-1980. Because Timex is the predominant producer of such watches in the Community, the probe extended as far as Hong Kong in order to establish a fair basis for assessing normal value that would in turn allow dumping margins to be calcu-

The investigation established that gold-plated watches coated to a thickness of five microns of gold were being dumped at an average margin of 9.9 per-cent, while others coated with 10 microns had a margin of 23.5 per cent. The provisional duties imposed on the Soviet watches have been set at those levels. The material injury that the Soviet Union's dumping of watches is alleged to have caused Timex was a 13 per cent

drop in its output of mechanical

watches between 1978 and 1980.

MANHASJUSTFLOWN A DROP OF FL

Hungary to promote joint company ventures

BY PAUL LENDYAL IN VIENNA

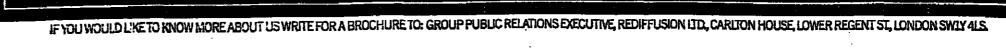
Joint ventures in the country.

Despite a Government decree a report released by MTI, the French company and the official news agency, indicates launching of an Arab restaurant disappointment that only six in Budapest jointly owned companies have been set up so far in Hungary.

THE HUNGARIAN Government basis of joint ownership by and state-owned companies are Austrian and West German to promote the establishment of partners; a rice production protoint ventures in the country. Jeet, involving what MTI calls "a large American food trading nine years ago allowing the company"; the joint manufac-setting-up of such companies; turing of hair tonics with a

The Hungarians have published a Businessmen's Guide to found four further joint for Fureign investors in several They include a foreign languages to inform poultry farm, operated on the them of business opportunities.

Ų,



Overspending forces cuts in Tornado production

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PRODUCTION TARGETS of the 2-do-West German-Italian Tor- plans this would have risen to much that Tornado must bear nado multi-role combat aircraft about 142 aircraft a year, cost-are to be cut by a third in the ing at least £1.7bn. By keeping UK and West Germany in the the production rate to present next three years to save money. levels a saving of about £500m.

Mr John Nott. Defence Sec. a year is possible. retary, is expected to make a statement tomorrow after long the overall programme cost of talks among the three countries more than £100n for the full

The cut will be achieved by keeping to the current production rates of 42 aircraft a year stretched into 1989-90 instead in West Germany and 44 in the of ending around 1988-89. UK, for the period 1982-84, instead of allowing them to rise as planned to 59 a year in of 1984. What will happen then Germany and 63 a year in the will depend on how the two UK. Italian production will main countries involved can remain unchanged at 20 aircraft

Considerable short-term savings are likely. With a basic strike Tornado costing £12m and the advanced "air defence variant " costing about £14.5m. the current annual production cost of just over 100 aircraft a year is running at more than £1.2bn.

In the long term, however, number of 809 Tornado aircraft planned is likely to rise, because the production will be

The slower production rate is intended to last only to the end control defence spending. The problem has arisen

because of overspending on defence budgets in the UK and West Germany, forcing re-appraisals of defence programmes.

Until now efforts have been made to spare the Tornado, which is regarded as a vital contribution to Nato, but the

On the original production overspending has grown so some share of the retrench-

> There is no plan to cut the overall total of 809 aircraft, of which 385 will be for the RAF (including 165 of the air defence version). 324 for the Luftwaffe and Navy, and 100 for the Italian air force.

> About 80 aircraft have been delivered from the assembly lines in the three countries. The cut is not expected to

cause any redundancies at the British Aerospace military aircraft division at Warton in Lancashire, but redundancies may occur among some of the 700 companies in the UK, West Germany and Italy involved on programme, especially where the prime contractors on the airframe and RB-199 engines have drawn back sub-contract

About 70,000 workers in the three countries are employed

More BP refineries in Europe to close

By Ray Dafter, Energy Editor BRITISH Petroleum plans further oil refinery closures in Western Europe, shedding 15 per cent of its original capacity there, or some 15m.

tonnes a year. This second phase of its rationalisation programme follows closures announced rationalisation in the past year amounting refinery capacity in Europe, including the UK.

The moves are designed to bring the group's overall operations into hetter balance with expected demand. Overall, the company intends to cut its 100mtonnes-a-year capacity by a

total of 40m tonnes. The second wave expected to involve relatively small plants, jointly owned with other oil companies. It is understood that BP will coucentrate on those refineries with limited scope for up-grading heavy products into high-value, light products such as petrol and naphtha.

Earlier this month it anounced plans to close its 4.4m-tonnes-a-year refinery at Dunkirk, France. This took closures to almost 23m tonnes

a year. Six refineries have so far the brunt of the horne measures: Dunkirk; Isle of Grain in the UK (10.4m Antwerp, Belgium tonnes); Volburgtonnes); Eriag, West Germany (2.4m tonnes); Dinslaken, West Germany (2.6m tonnes); and Speyer, West Germany (1.8m

Up to 1,300 ICI jobs may go at Welwyn

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries' services together with producpetrochemicals and plastics divi- tion plants. sion is preparing to axe an estimated 1,300 jobs at its Welwyn Garden City resarch_and administrative centre in Hert- employer there, although no profordshire, as part of a continu-, duction takes place on the site. ing cost-cutting programme.

Many of the offices on the and plastics output comes from 60-acre site are expected to be Wilton on Teesside.

confirm or deny that job losses at Welwyn would total 1,300-a figure estimated by Mr John France, prospective Labour par-liamentary candidate for the area. But the company said a were to be moved to other sites, affecting "hundreds of jobs" although it did not yet know the exact number.

people at Welwyn, stressed that it would offer voluntary severance wherever possible and for some the option of being relocated.

The departments most likely end of next year. to be affected will include research, technical services, purchasing, supply and distribution. But Welwyn will continue to be the petrochemicals and plastics the divisional board will be sited there.

ICI's petrochemicals and plastics operations were merged only last spring, since when the group has been able to save £35m. It is estimated that this latest phase of the division's rationalisation programme will cut costs by at least £2m to

The company says the move is aimed at criminating duplication in certain services and improving its service to customers, for example by siting its technical

Welwyn was the headquarters of the plastics division before the merger and ICI is a big Much of ICI's petrochemicals

Wilton on Teesside.
The plastics and petrochemi-Last night ICI was unable to cals operations lost £79m in 1980 and the merged division continued to make substantial losses last year. ICI foresees a marked upturn in business this year continuing into the early

But the company forecasts another major slump in petrochemicals and plastics in 1984-1985. It is therefore determined to streamline its business and ICL which employs 1,800 get maximum profits from the few good years it sees ahead. Staff at Welwyn were told of

the further rationalisation plans last week. The programme is expected to be completed by the

O A £95m ammonia plant, using technology developed in Britain. will be built by an ICI subsidiary in Ontario, Canada, The announcement of the project marks another stage in the group's policy of expanding sales overseas and reducing dependence on the UK.

The 373,090 tonnes a year plant will be built by CIL (Canadian Industries Limited) in which ICI has a 73.4 per cent interest. It will be sited at Courtright in Ontario, where CIL already has an ammonia plant. It will use Canadian natural gas as its raw material. Ammonia from the plant will be used in making nitrogenous

fertiliser for local use.

Friedman blames 3m iobless on 'obstruction'

By David Marsh

PROFESSOR Milton Friedman, the economist who inspired Mrs Thatcher's monetarist strategy has blamed the near-3m un-employment total on inadequate implementation of his policies..

In an interview in this week's West German magatine Der Spiegel the Nobel Prizewinner scoras Tory-Party grandees and official bureaucrats for obstructing Mrs Thatcher's plans.

In this interview, conducted in California he assailed British people for refusing the medicine he prescribed — lower public spending tax cuts and sale of state industries. "If Mrs Thatcher had taken

the medicine from the beginning, there wouldn't have been 3m unemployed."
The unemployment prob-lem was difficult but had existed before she came to

power. The size of the "underground" labour market meant official figures exaggerated the true jobless Professor Friedman said

the only part of her pro-gramme followed had been commitment to monetary growth. This is surprising, because the Government has constantly overshot its money supply targets.

the "very strnog" fall of the inflation rate. This, however, was rising again because of the depreciation of the pound. The monetary cure for inflation led inevitably to temporary cuts in growth and to more unemployment. This period, lasting 18 months to two years, was now nearly over and the worst of the

This commitment had led

to "very positive effects" in

recession was over. He was a "great admirer" of Mrs Thatcher, who was east in the same mould as President Reagan. The difference between U.S. and UK economic policies was that the people and the Republican Party stood fully behind the

Nissan verdict on British Datsun plant not expected until March

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BRITISH motor component makers do not expect Nissan of the latter problem should not Japan to make an announcement about whether it will go ahead with a Datsun car plant bargaining point are not un-in the UK until March—nine common in the UK. months after the original target

Nissan has worked hard and spent a considerable sum on Government, has been taking a feasibility studies, but it is still firm line about the local conby no means certain that the group will set up the proposed 2300m plant on a greenfield site. But Mr Takashi Ishihara, president, sald in Japan yesterday that the company had completed the studies and "I see no special obstacles to our advance (into Britain)."

According to UK industry sources, though, two important issues still have to be resolved when Nissan sends its team to Britain next month for a final round of negotiations with the UK Government and the unions. The level of local component content in the cars to be pro-duced-"local" in this context nearing from within the EEC. • Whether a satisfactory deal can be worked out with the unions for just one negotiating body at the plant.

There seems no reason why be sorted out quickly. Plants with one industrial relations common in the UK There is some evidence that

the Department of Industry, negotiating on behalf of the UK Government, has been taking a tent issue after being told forcefully by the UK component groups that if Nissan is allowed to bring in too many components and sub-assemblies from Japan it would result in a net loss of jobs in Britain and could seriously undermine the domestic components industry.

The Department has con-sistently made it clear that, while the UK welcomes inward investment from overseas com-

panies, that welcome extends only to projects which will benefit the British economy. Nissan said when it started the feasibility studies in January last year that the cars the British plant would produce would have a 60 per cent local content initially. This would rise to 80 per cent "as soon as possible."

So far neither Missain nor the Department of Industry has given any indication about how this local content would be measured. This matter obviously has been at the heart of Nissan's recent discussions wift the department.

Nissan originally hoped to make an announcement about the UK project last summer and get car production under waygiven a positive decision—in

Now no UK-made Datsun cars could be on the market before mid 1985 because the group has said it will take about 31 years between the decision to go ahead and start-up.

This is welcome news for BL in particular which will have time to get its: LC10 range of medium-sized cars well launched first, in 1983 and 1984.

Nissan's plant is expected to produce cars with engines between 1.5 and 2 litres, competing head-on with the BL LC 10 models as well as Ford's Cortina replacement, the Sierra, which is due this autumn.

If it were built the Nissau

plant would eventually produce 200,000 cars a year.

BL's Rover 2000 back on market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

The last one in the old style went out of production in 1975. Now the 2000 returns as part of the SD1 Rover saloon range which has been relaunched after the most extensive range of refinements and improvements since the models were intro-

duced six years ago. But BL has not lowered the initial cost of Rover ownership. The 2000's list price is £7,450exactly the same as the Rover 2.3 cost at the beginning of this year. There was a mid-January price rise for the rest of the Rover range, the first increase since last August, obviously designed to provide headroom for the new model.

BL sold 21,500 Rover saloons

BL GIVES the executive car the changes will boost this to popular demand," the top three market a shot in the arm today 25,000 or more this year. The models have real waknut veneer market a shot in the arm today 25,000 or more this year. The by bringing back a Rover 2000. 2000 is expected to account for

about one in every four. The introduction of the 2000

BL is using its four-cyclinder, 1994 cc overhead camshaft "O" series engine in the new 2000. It says the model has a top speed of 164 mph. The official fuel consumption figures are 42.6 mpg at a constant 56 mph and 32.7 mpg at 75 mph. The group estimates between

£5m and £7m was spent on re- Rover will be available "before vamping the Rover range. The the end of 1982." For the first model now has a new instrument binnacle, modified suspension diesel made by VM, an Italian and redesigned electrical system in Britain last year and believes among other changes. And "by IRI group.

on the interior trim.

The service interval has been extended to 12,000 miles or 12 should also increase Rover's months and there are brake pad sales on the Continent by about sensors on the front braking 25 per cent from last year's system which trigger off a warn-6,000, which BL said was a little ing light when the useful life of the pads is over.

The Royers are now made at Cowley, Oxford, and BL says it saves an annual £8m by switching from the Solibull plant. Prices are the 2300 £7,970; the 2300S £9,358; the 2600S £10,177; the 3500SE £12,545 and

the Vanden Plas £14.787. year or so the car will use a subsidiary of the State-owned

prefer bases in Britain

By Gay de Jonquie

BRITAIN IS the most popular overseas base for U.S. elec-tronics companies, though many of them believe, it would no longer be suitable if it withdrew from the EEC, according to a

survey. The survey published by Electronics Location File, found that of 185 U.S. companies planning to set up operations abroad 53 gave Britain as their first choice. West Germany came second, followed by Ireland, Canada, Mexico and Taiwan Taiwan
But 43 of the companies

favonring Britain said it would be either unsuitable or less suitable it it left the EEC. Electronics Location File, 17 The Green, Richmond, Surrey TW9 1PK

Howell defends plan for heavier lorries

MR DAVID HOWELL, Transport Secretary, yesterday replied to growing enticism of the Government's proposals to allow 40 tenne lorries on Britain's roads by saying the plans were good for the en-

He told a meeting in his Guildford constituency, the Government's proposals offered "much the best chance for getting safer, quieter lorries on the roads as well as allowing operators of heavy lorry fleets

Insurance claims

double the average THE SUN Amance Group, the largest domestic property in-surer in the UK, is handling about 2,000 claims every working day—twice the normal average for this time of the year because of bad weather. The vast majority of claims for damage caused by floods,

snow and burst pipes, are for less than £100 but the company is receiving some claims for over £10,000.

Private group takes over street cleaning THE Conservative - controlled London borough of Wandsworth yesterday became the first in the first in the capital to hand over its street cleaning services

to private enterprise.

From the end of the month Pritchard Industrial Services will take over from the council's own department, at an estimated saving of almost £1.5m.

Spencer sale offer EARL SPENCER confirmed

ating the sale of two rare late 17th century gold wine coolers, estimated to be worth more than £600,000 to the British

Bank chief retires MR ALEXANDER Macmilla. director and chief executive of

the Clydesdale Bank, is to retire at the end of June, the bank said yesterday. Mr Richard Cole-Hamilton. 46. at present general manager.

become deputy chief general manager on February 1. Sponsorship move

BRITISH Nuclear Fuels, the nuclear fuel manufacturing and services company, is to provide sponsorship for archaeologists at Manchester University who are excavating what could be one of England's earliest village sites at Tatton Park near Knutsford, Cheshire.

'Choose Gill or me, Grade told ACC board'

BY RAYMOND HUGHES, LAW, COURTS CORRESPONDENT

MR JACK GILL, former deputy glomerate. Lord Grade of his intention to try to get Mr Gill off the company's board.

Court heard yesterday. "He told me he and I could not work together and he wanted me removed. I was shocked and very angry." said Mr Gill in evidence read to the

Details of Lord sudden move against Mr Gill. who had been his right-hand man at ACC, were disclosed for the first time in Mr Gill's

Mr Gill sought an injunction stopping Lord Grade and four other ACC directors transferring their voting shares to Mr Robert Holines à Court, who last week replaced Lord Grade as head of on a petition by which the Post entertainments

transferred to him,

Only if such orders were made would Mr Gill still have the protection of the directors' undertaking to vote in favour of the proposed record £560,000 compensation payment to Mr Gill, his counsel. Mr William Goodhart QC, told the court.

But Mr Justice Whitford re-fused to grant the injunctions. Instead he acepted undertakings by Lord Grade, Mr Holmes à Court and the other directors that the vital shares would be voted only to adjourn an extraordinary meeting of ACC, called

to approve the payment.

Those undertakings will remain in force until seven days after the court has finally ruled con- Office Superannuation Fund and

10 other pension funds and in- between Jack Gill and me." chairman of Associated Communications Corporation. was to order Mr Holmes a Court not invested in ACC are seeking to voted to strip Mr Gill of his executive noting shares block the payment.

That petition will next be be-fore the court on February 15, but is not expected to be fully dealt with until some time after

The effect of yesterday's court decision is that Lord Grade, Mr Louis Benjamin, Mr Norman Collins, Mr L. S. Michael and Sir Leo Pliatsky can transfer their shares to Mr Holmes à Goodhart said that

Augst 25 last year, when Mr Holmes à Court was "a cloud no bigger than a man's hand on the southern horizon," Lord Grade cailed an emergency board meeting for the following day.

Mr Gill stated in his evidence that Lord Grade had promised to tell him an hour before the meeting what was happening. He did so, and then gave the board an ultimatum: "Choose Mr Gill's evidence was that

several board members had pleaded with him to resign, for his own and the company's sake He had refused, but eventually agreed to go in return for

an agreement which included the compensation payment. Mr Goodhart said that if the pensions funds' petition succeeded, the compensation agreement might be frustrated.

There was nothing Mr Gill could do about that, but he was entitled to the court's protection as far as the transfer of the Voting shares was concerned. Mr John Wilmers, QC, for all

the defendants, said that apart from Lord Grade, all the direcfors had agreed to sell their shares to Mr Holmes à Court on condition that they were given proxies to vote at the extraordinary meeting.

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international companies. And our Free Trade Zone. In short, we make

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frustrate bids for ACC' BY JOHN MOORE ROBERT HOLMES à posals within ACC, he said COURT, the new chairman of Communications Corporation, said yesterday he and other directors would

Holmes a Court 'will not

The 44-year-old Australian entrepreneur took over the chairmanship of Lord Grade's entertainments group last week and bid £36m for it. · He told his first Press conference .as chairman and chief executive of ACC that anybody else who wished to make a bid

fide takenver bids from other

for the company would not be denied information relating to the company's affairs. He made his remarks as both Mr Gerald Ronson, of Heron Corporation, and Mr Robert Maxwell, of BPC, requested further information which might lead to them bidding to gain control of more than 60 per cent of ACC voting shares

which seem set to pass to Mr Holmes à Court's control. He said yesterday his business interests would not sell their shares. There is no price that is likely to be offered that I

Mr Holmes a Court, looking relaxed and chain-smoking long thin cigars, said the payment of £560.000 to Mr Jack Gill, the group's former managing direcseems excessive." He said he was to be an unpaid chairman and chief executive of ACC, taking only £5,000 in the usual director's fees.

parts of the business to pay for But he warned that the group had net debt of £51m, which was rising.
On the question of future dis-

subsidiaries to repay the banks and allow ACC to shrink or sell

There were no plans to sell

there was an offer for the Classic Cinema chain, which Lord Grade acquired from Mr Laurie Marsh. "I do not know whether it will go through, but' I expect it will." All negotiations on the music

company had "come to nothing." He had not seen an offer from Mr Paul McCartney the former Beatle, who was said to have expressed interest in the Northern Songs catalogue. On the future of Central Independent Television, in which ACC holds a 51 per cent interest, Mr Holmes à Court said the voting shareholding was to be held in trust, prob ably an institutional trust, for

as long as there was a non resident controlling interes entitled to these votes. A new wave of austerity would hit ACC, he said. "When all the information is disclosed in full, in our offer document for ACC, you will find that I am not a party to any Jack Gilltype payoff. No director has bettered his position by either resigning or selling his shares

Mr Holmes à Court said Lord Grade, who will be a full-time executive and deputy chairman of the group's film division, "has not improved his position" in the changeover of the management of the company. It was revealed yesterday

that one of ACC's bankers, the Midland, had a covenant with ACC which said loans-believed io he about £5m—were repay able on the control of the company changing ownership. After meeting of the treasurer of ACC and the treasurer of the Bell group, Mr Holmes à Court's master company which is making the bid, assurances were given and the Midland waived its condition.

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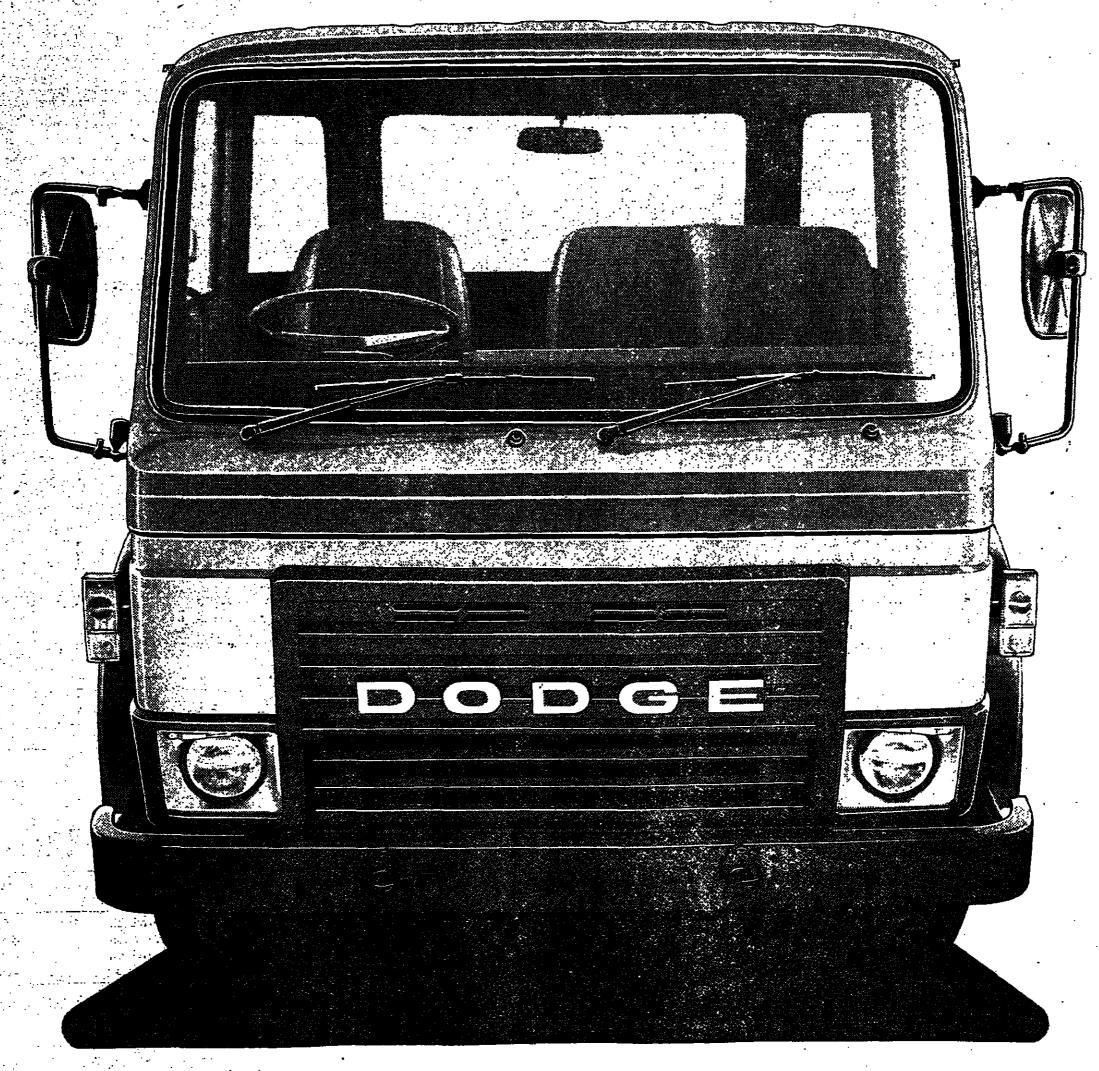
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THE NEW DODGE COMMANDO 2

Short Brothers cuts Belfast workforce

He said the company suffered

when Lockheed cancelled the

TriStar programme for which Shorts made all the engine

other components.
Sir Philip said long-term

prospects were very promising,

with £275m-worth of orders to

be delivered. He believed when the effects of the recession diminished export volumes

would regain the levels which

the company had achieved in

He said the company was

also optimistic about prospects

for its new 360 commuter air-

craft, a 36-seater derivative of the 330. The Government agreed in December to in-

crease Shorts' external borrow-

ing limit so that the 360 could

Short Brothers reported a

pre-tax loss of £8.9m in the

year to August 31 1980. The deficit for the succeeding 12

months is expected to be sub-

The company's future and that of the Harland and Wolff shipyard, where further redun-

-Section 47 of the Sex Dis-

It was essential for both sexes

go into volume production.

the last decade.

stantially higher.

Job equality action sought

to ensure women can compete crimination Act allowed dis-

in the workplace on an equal crimination in favour of women

basis with men were urged yes-terday by Baroness Lockwood, the West Midlands Engineering

chairperson of the Equal Employers' Association was the Opportunities Commission. first organisation to seek desig-

She said such action had nation as a training body under

often been misconstrued as the Act, to provide special train-

the expense of the other. It was ment potential, 18 months ago.

Newcastle and district branch of bodies training women in non-

"It is, rather, a pragmatic that alternative career patterns

response to the fact that simply be adopted to allow more flexi-

prohibiting discrimination is not bility in their careers and more

enough to ensure that women choice in how they combined may compete on an equal basis work and domestic responsi-

the Institute of Personnel traditional fields

favouritism towards one sex at ing for women with manage

BY OUR BELFAST CORRESPONDEN

SHORT BROTHERS, the State- ist sircraft. owned aerospace company, yesterday announced a 10 per cent cut in its labour force which will mean 650 redundancies at its three Belfast factories. Sir Philip Foreman, the man- parts and a wide range of

aging director, said job losses had been delayed as long as possible by the introduction of short-time working in the cope-that demand, particularly in the U.S., would show signs of

improving.

But sales of the company's commuter surrant, the 330, were still affected by the general recession in the U.S. airline industry. Costomers were seeking to put back delivery dates,

The cuts will include 400 production workers and 250 suppont workers and staff. They will be spread across all divisions of the company, including missile production, but aircraft end component manufacture will carry the brunt.

These reductions are in addition to the 300 redundancies and early retirements among Shorts staff announced last

Sir Philip said deliveries of dancies are expected, will be major aerostructure components discussed next month at a meetto U.S. customers and of engine ing between officials of the Con-pods for Rolls Royce RB211 federation of Shipbuilding and pods for Rolls Royce RB211 series engines had been Engineering Unions and Mr. "severely cut back" because of James Prior, the Northern the fail in sales of the larger Ireland Secretary.

POSITIVE ACTION programmes

not favouritism, she told the

Management.

Firth Brown warns unions **250 jobs** are to go

By Nick Gamett, Northern

country's biggest private steelmakers, has told shop stewards that it wants an mmediate reduction of 250 in its workforce of 3,200.

It is also seeking a 17 per cent reduction in employment costs which it wants to nego-tiate with union representatives within the next few

Shop stewards at the Sheffield company, part of Johnson and Firth Brown, are due to meet today to ratify recommendations which will be put to a meeting of the workforce on Sunday. This follows a meeting of 2 group of senior stewards yesterday to discuss how they should react to the company's The meeting on Sunday will

include members of unions in the Confederation of Shipbuilding and Engineering Unions as well as the Iron and Steel Trades Confederation. Mr Arthur Hogg, the company's managing director. told shop stewards Firth Brown needed to reduce costs

significantly and improve productivity in line with international competition. The company, which declined to go into details about what it had told union representatives, has outlined

its trading position to shop

stewards. Firth Brown, which last year cut its workforce by
1.100, has been seriously
affected by the depressed
state of demand for steel.
The principal products are
open-die special steel forgings ing and relatively high tech-nology uses. It also makes envineering products.

It has been hit more than most private steel makers by fluctuations in demand for steel from the aerospace industry, for which it is a rime supplier.

Shop stewards said vesterday the company had given no firm indication of what further reductions it would seek if the 17 per cent cost eavings were not agreed. It had not specifically warned of any further redundancies.

There has been some speculation though that a faffure to reach agreement fairly promptly could result in more job losses.

Grant anomalies frustrate county leaders

THE Environment Department has been embarrassed to discover that it is penalising metropolitan counties for overspending when the counties are 50 per cent on police items. actually carrying out Home Office spending decisions.

In the current year, for example, the six Labour-controlled metropolitan counties are deemed to be overspending on police by £30m and as a consequence they are suffering progressive grant reductions on that expenditure. Yet the Home Office has

approved the total spending, it controls the manpower and establishment levels and it also controls all expenditure on

Only a very small proportion of police expenditure is outside the control of the Home Office. which pays a specific grant of

Leaders of the counties-Merseyside, West Yorkshire. South Yorkshire, Greater Manchester, Tyne and Wear and West Midlands-put the complaints to Mr Michael Heseltine, Environment Secretary, who said he had not been aware of the technical outcome of that ert of the grant formula, nor of the contradiction between the Environment Department and the Home Office.

It was too late to make any alterations for 1982-83, with the

being demanded from the metropolitan counties, where the proportion of total budgets taken up by police spending and highways. varies from 27 per cent to 40

Three authorities - Greater Manchester, South Yorkshire and Tyne and Wear-have been asked for 7 per cent current expenditure cuts compared with this year's revised

Merseyside needs a 13.7 per cent cut, West Yorkshire 17.9 per cent and West Midlands 22.6 per cent to avoid stringent penalties through grant loss. If these cuts are to be made

in the other main metropolitan

The police factor is not the only anomaly to appear this year. There are serious distortions in the allocation of grant for concessionary bus fares schemes for old age pensioners throughout the country."....

The money has been distri-beted to all authorities on a opplation-related basis, which has inflated the Government's sment of how much some councils need to spend to pro-vide a standard level of services, and deflated others. assessment, for

result that very large cuts are outside police expenditure it example, is £3m up because of will require major reductions concessionary fares money but it spends very little in this county services: fire, transport field Greater Manchester, on and highways. the other hand, gets only onefinird of what it spends.

Treasurers leaders alike are becoming increasingly frustrated at what they regard as the discre-pancies in so many of the 62 factors used to calculate grant. Last year serious defects in some of the education and housing factors appeared. This year an attempt has been made to rectify both so the new calculation on nursery education, for example, bears more provision in each area.



THE TOLLING of the Billingsgate hell at 5.30 am yesterday morning opened trading at London's new Billingsgate fish market on the site of a disused warehouse in the West India. Docks. The hell was one of the few things brought from the old market in Lower Thames Street in the City of London to the new £11m purpose-built building.

Agency workers oppose tax proposals

BY JAMES MCDONALD

of tax evasion until proven innocent" were attacked yesterday by a group of organisations and companies which represent them.

The Revenue plans to tax agency workers operating as limited companies by deducting 30 per cent of their fees at source as an immediate prepayment of Corporation Tax.
Replying to the Inland
Revenue's consultative paper Taxation of Agency Workers operating through companies, published last November, the

INLAND REVENUE proposals group accuses it of stifing the

Speaking at a London pr conference Mr Walter Gold-smith director general of the Institute of Directors said: tax evasion in the agency worker sector, and in every other sector, should be stamped out.

"But we cannot fail to have serious reservations about an approach by the Inland Revenue which seems to regard all agency workers firms as inherently guilty of tax evasion until they prove otherwise."

The group of 12 organisations which "treat agency workers as growth of small consultancy and companies wants the method of the agency workers as growth of small consultancy and companies wants the Revenue to adopt an alterna-This would involve an agency notifying the Revenue of its limited company status, and "Every one of us believes that PAYE, Corporation Tax and

sub-contractor's tax details; deducting at source 30 per cent of fees in cases of serious tax arrears, with the amount withheld being recoverable by deduction from PAYE and Corporation Tax payments; and submitting to the Revenue returns on amounts paid, tax deducted and tax refunded.

Fluid-bed boiler deal and in U.S. for Babcock

BY DAVID PISHLOCK, SCIENCE EDITOR

BABCOCK POWER, a pioneer basis. This is because of the of finidised-bed combustion in empense, of meeting air pollu-Britain, has turned to the U.S. tion regulations. for a new generation of tech.

In London yesterday Babcock signed a licence agreement with Stone and Webster, a Boston engineering group for its patented second-generation fluid-bed boiler. Unike present fluid bed systems, it can be controled over a wide range of outputs, down to one quarter of full

power.

Mr Ron Campbell, managing director of Babcock Power, said load-following feature greatly enhanced its attractions a coal-fired replacement for oil or gas-fired industrial boilers and process steam plant.

Babcock has negotiated a would excusive licence except for the U.S., Canada and Venezuela, where its licence is non-exclusive, and for Japan where no licence agreement has yet been signed.

Last month Stone and Webster signed a non-exclusive licence agreement with Foster Wheeler for the U.S., Canada

he saw the U.S. as a major demonstration plant to raise potential market for Babcock, process steam from petroleum and has access to the results of coke, scheduled for completion demonstration projects mounted there by Stone and Webster. . . The technology is said to cope But Mr Leland expects the with coal with a sulphur con-boiler system to be sold at tent of more than 3 per cent,

expense of meeting air pollution regulations. The fluid-bed boiler uses limestone to keep the sulphur from entering the atmosphere. At its heart is a control system invented by Mr Ben Johnson, a

U.S. consultant and developed by Stone and Webster in the past two years. The bed of hot alumina beads used to burn the coal is fluidised by air jets and circulated by jets of higher velocity so that hot particles of coal cascade

over a water-cooled wall. Up to 50 per cent of the energy of the bed can be extracted this way. The transfer of heat to the water can then be controlled as easily as feeding fuel to an oilfired boiler, simply by regulat-ing the flow of circulating coal

Mr Warren Leland, senior vice-president of Stone and Webster, said Conoco, the newly is funding a "hot test unit"pilot plant designed to raid about 5,000 lb of steam an hour. nd Venezuela. In addition, Conceo has Mr Campbell said yesterday ordered a 50,000 No per hour

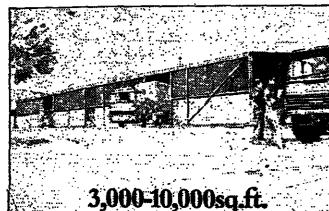
by 1983-84 at a cost of \$15m (£7.94m).

between \$10m and which costs less than a quarter depending on size, in the range of the price of oil in the U.S. of 50,000 to 450,000 lb of steam on an equivalent heat-raising an hour.

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Manchester candidates list tests Labour

EXECUTIVE of the Labour Party in Manchester will meet on Friday to be given a breakdown on the adoption of party candidates for the city council elections in May in which all 99 seats are being

The verdict of that meeting is likely to be that the truce which brought some form of peace to the warring factions in the local party and the council's Labour group is

About 78 Labour candidates have been chosen in the wards and all the decisions have been taken on who will stand for the critical seats the local party believes are winnable.

The council has been under Labour control for all but a few years since the war and is currently made up of 67 Labour councillors, 23 Conservatives, five Social Democrats and four Liberals,

But as with the Labour Party at national level, no one knows if, or how long, the subdued atmosphere which has replaced the bitter factionalism—when the local party was pitched against leading Labour councillors—will remain.

For one thing, the executive of the local party will meet on Sunday to decide what advice it will give Labour councillors on drawing up the city's budget —currently more than £400m. cipal causes of the divide in the party in the past two years. Nick Garnett examines the party's subdued local election run-up

what the Labour group will look like when the new council is formed. Neither the left-led local Labour party nor the more moderate leaders of the council group have had it all their own way in choosing candidates. Referring to the first 60

osen in the wards Mr Norman Morris, the moderate Labour group leader, said the adoption of candidates appeared to be going "reasonably." This

seemed to refer to the moderates belief that the number of candidates who might be expected to fall under their wing was larger than they once expected. On the other hand there are some estimates that the new list candidates breaks down

roughly 45 per cent moderate, 45 per cent left-wing and 10 per cent floating somewhere in the middle. The final worrying factor for the party, though, is that the bitterness has been so intense

that it could re-emerge at any The trauma suffered by local Labour politicians in Britain's fifth biggest city has five main characteristics which are in

some ways a reflection of pres-sures in the national party and other local Labour groups.

The pressure of central government cut in polarising atti-nuderate councillors among tudes. Two years ago, 12 left- them Mr Ken Franklin, deputy For another, no one is sure

on council house repairs. They appealed successfully to the Labour Party's National Execu-By the time they were rein-stated the council was in the

wingers were expelled from the Labour group for opposing spending cuts, including those

middle of another financial crisis with the Labour group proposing cuts of between £12m and £20m which it said were necessary to keep the council financially viable.

The rebel group, now swollen to 17, again opposed the expenditure reductions. The problem rumbled on into last year when the whip was again withdrawn from the rebels. The question of responsibility

for decision taking in the context of the party's Left-Right battle. Last year, the local battle. Last year, the local Labour party under the chairmanship of Mr Graham Stringer virtually demanded that prospective candidates for the May election sign a document committing themselves to national conference decisions - including opposition to spending cuts.

The panel of prospective candidates agreed by the party last year, from which the wards could choose, excluded 23 senior

leader of the Labour group, and Mr Bill Edgenton, the group's Conciliation by the national

Party Mr David Hughes, the party's national agent, along with Mr Eric Heffer, chairman of Labour's organisation committee, forged a truce in which the Labour group would reinstate the rebels and the local Labour party would acept the 23 councillors on to the candidates' panel with out preconditions.

It is that agreement which is holding at the moment. Mr Stringer says he hopes the executive on Sunday can agree a policy which Labour council lors as a group can support.

The emergence of the Social Democratic Party. Labour politicians have been scorning the chances of the SDP in the coming elections in an area where Labour traditionally has high support. But during a period when the local Labour party has been incapable of containing its own rifts, five of its members on the council have gone to the SDP. At least one - Mr Fred Balcombe, a company director - had been out of sorts with the party for some time, however, The nature of the Labour

group on the council. It is not full of backwoodsmen falling asleep on the pews but has a history of progressiveness. As a result the attacks from the Left have cut deep and partly account for the levels of bitterness and outrage.



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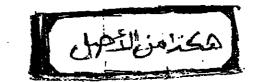
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Gracious;



Council manual workers set to accept pay offer

MEMBERS of two of the three unions representing: Im local authority manual workers have voted to accept their employers' 6.3 to 7.8 per cent pay offer. This virtually changes the offer will be accepted by the union side when the national joint council meets on Monday.

In week by one hour to 39 hours from next November, and gives five weeks holiday a year for those with more than five years' service.

The General and Municipal Workers' Union's 300,000 members—the biggest group—voted 2-1 to accept the offer while the Transport and General Workers'

Such a high settlement- a flat-rate increase of £4.60 on basic rates for all seven grades ds an embarrassment to the Government, which wants to restrict public service pay increases

The offer also cuts the work-

national officer, said: "The Gov ernment can take little comfort from this settlement. Their public services pay policy of 4 per cent has fallen at the first hurdle - even without recourse

bers—the biggest group—voted 2-1 to accept the offer while the Transport and General Workers' Union voted by 43 in favour. Between them the two unions

have 21 seats on the national council. The result of voting by the National Union of Public Employees, with nine seats, should be known on Friday. Mr Charles Donnet, a GMWU

"The signs are that the low-paid manual workers are no longer willing to be the whipping boys for this Government's blundering economic policies."
This was echoed by Mr Mick Martin, public services national secretary of the TGWU, who said the large number of his members' votes against the

> cycle of industrial action in local authorities, which in the past has taken place over 3-4 years as the employees' standard of living has been reduced, is now showing itself. I would anticipate that in spite of job losses and un employment the end of 1982 will be a year of industrial action."

offer showed an increasing mili-

to industrial action."

The local authority offer, how

ever, was made only on the cast-

ing vote of the Labour chairman

of the employers. Groups such

as the health workers are ex-

were flashing for next year.

Mr Donnet said hazard lights

pecting a difficult negotiation.

The offer takes the bottom leve basic rate from £59.05 to £63.65, and the top rate from £73.50 to £78.10.

74% TAX

Dockers object to deal with foremen

By Our Labour Staff

THE STRIKE-TORN Port of Southampton was thrown into further confusion yesterday despite the ending of a

The foremen called off their promised they could continue working their old agreement, which allows individuals to do more than one shift a day when circumstances dictate.

However, leaders of the port's 1,400 dockers yesterday accused employers of reneging on a written guarantee that in future on section would be able to work "out of turn," as double shift working is commonly described.

They were unwilling to see any group return to work on conditions which permitted

This was a new blow to the British Transport Docks Board, which believed it had reached a settlement with both foremen and dockersboth members of the Transport and General Workers' Union-at a meeting which ended at 2.30 am yesterday.

The docks board said the port was back to single dayshift working. But a return to full three-shift working is being prevented by a continuing, four-month dispute with 150 cargo checkers. what rates."

Cash is key to all-out rail strike Philip Bassett reports on Aslef's

whether over pay or principle, tend in the end to come down to money: whether an employer can withstand the financial loss of business or services caused by industrial action, and whether the union and its members can afford to sustain a strike.

BR's losses from the present series of strikes by the Associated Society of Locomotive Engineers and Firemen bave been clearly spelt out by the

It estimates that every day of the strike causes it to lose some £6m in revenue and Government grant, while leaving it with a wage bill for non-striking staff of £3m—making a total loss of £9m per day on the balance sheet. What is less known is the

union's financial position. Its finances are important because eventually. as last year's lengthy Civil Service strikes conclusively proved, the money available will govern whether, or for how long, an all-out strike could be maintained-and probably, therefore, whether the union could exert enough pressure to shift BR from its refusal to pay the disputed 3 per cent second stage of last year's two-part 11 per cent pay

The decision on whether to allocate strike pay is technically in the hands of the union's nine-man executive. Under Rule 48 (c), it is the executive which shall determine whether any strike money should be paid and if so, at

financial ability to back stoppage

union has no separate strike fund—strike pay has to come out of its main general fund.

The reluctance of the executive of the executive of the executive fund. tive to dip into that fund for this purpose is shown by the fact that for the last six years at least-covering a period which included four one-day

official national strikes—Aslef has not paid out a penny This is partly because union discipline is so tight that mem-bers will stay on strike. Aslef's Rule 29 (1) makes it clear that once a strike has been called, "any member or members failing to comply with such decision on receiving notice of the same will render themselves liable to expulsion from the society or such disciplinary action as the executive com-

mittee might think fit." Given BR's closed-shop agreement. failure to strike for Aslef members may therefore well mean losing their job. Equally, though, it is the posi-

which precludes it paying strike pay. Unpublished union figures, approved by its chartered accountants, for the most recent year available. 1980, show that the union had an income for the year of £1,271,103, made up of £1.160,066 from contribu-tions. £111,035 from investment income, and £2 from donations. Set against this, though, was expenditure of £1.256,231, made id and if so, at up of £81.622 in benefits to However, the members, £1.132,459 in admini-

donations. This left a balance of £14,872, though added to this was £6,276 in recovered income tax. However, from this £21,148, a sum of £37,514 was transferred to

the union's pension fund leaving it £16,366 in the red.

To meet that deficit, the union had to dip into its reserves, so that the amount of funding it had available at the end of the year was £2,318,677.

Most of this, though, is tied up in fixed assets—mainly property. The union's ornate Edwardian headquarters in London's exclusive Hampstead is its main asset—though its book value price at the end of 1980 of £730,000 is probably less than is widely thought.

The union also owns the freehold on the large house next door to its main headquarters, at a book value of £170,000. These two, with its nine other properties, including house rented to Mr Ray Buckton, Aslef general secretary, amount to property assets of £1,194,952.

Other fixed assets include its investments. At the end of 1980. its quoted investments stood at £779,882, though they had a saleable market value of

They included shares

Allied Breweries (market value £10,452), Beecham's (£25,344), BP (£28,501), ICI (£13,666), Marks & Spencer (£21,762), Shell (£25,974) and Unilever (£14,427).

Its unquoted share assets of

Its unquoted share assets of £35,471 included a total of 12,875 shares spread over three

commercial radio stations in Plymouth. Wolverhampton and

Its available liquid assets are small. According to its accounts, it had at the end of 1980 only £183,463 in the bank and to hand. The union claims 27,000

members, though BR and other estimates put it at 20,000-21,000. It has some members on London Transport, so on its own figure it might on an all-out strike call out, say, 26,000 members. If the union paid them the £12 a week strike pay made available by unions such as the transport, and engineering workers, its cash balance would disappear in less than a week, and its total assets—its pro-perty, including its head-quarters, and its funds—inside

eight weeks. In an all-out strike, the drivers would lose their weekly earnings, which BR says average £140. They would get no strike pay. Further, under the Gov-ernment's "deeming" rules, they would have £13 a week deducted from any social security benefits their families might draw to take account of strike pay they

were actually not getting. Given that, even with Aslef's rigorous strike discpline, longterm support for a lengthy strike must be questionable

Ambulancemen seek inflation-linked rise

BY IVO DAWNAY, LABOUR STAFF

ambulance staff yesterday sub-mitted their annual pay claim with a firm warning that they will not discuss any deal aiming to hold wages to the Government's 4 per cent cash limits.

The embulance staff seek a "substantial" rise in line with the rate of inflation, a cut in the 40-hour working week and more annual leave. They are also calling for higher shift payments, to be assessed as a percentage of the basic rate.

Last year they accepted a 7.5 per cent rise and an extra day cierical staff are seeking a cash of annual leave in a settlement covering 15 months. But agreement was reached only after a 24 hour national strike and several local stoppages in which some regions displayed a high level of militancy.

H. inflation continues at 12 per cent, the claim would inse basic pay for qualified

LEADERS of Britain's 17,000 from £82.64 to £92.55, with ambulance staff yesterday sub-average earnings of £142 rising to about £160.

The claim is broadly in line with those of other health service workers who are all scheduled to settle on April 1. Last month union officials representing 250,000 ancillary workers also called for inflation-linked rises, improved holidays and a shorter week. And yesterday leaders of the 120,000 clerical and administrative workers in the NHS met to

agree a similar claim. administrative payment—as opposed to a per-centage rise—to be paid to all grades. At current inflation rates, it would mean another £14.25 a week.

The administrative workers are likely to demand a cut in working hours from 36-37 a week to 35, and minimum anmual leave increased form 20 to ambufancemen outside London 30 days a years.

Civil Service retirement rules to be changed

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT has decedide to change a 30-year-old civil service convention that staff can normally expect to work on beyond the minimum

pensionable age of 60. Instructions have gone out advising departments that this would be a suitable way of reducing staff, especially at a time of high unemployment. young recruits.

The Civil Service unions have been told of the decision without prejudice."

This appears to mean that they are invited to air their views but that the redefinition of the retirement rules would proceed anyway.

affected by the edict-about 10 per cent of the civil Different departments will make their own decisions. But

In theory 52,000 staff are

the first to go would be those who have joined the service in mid-career, and already have an occupational pension from a previous employer, perhaps even an index-linked pension from some other part of the public sector.

Next in line could be those who have already put in 40 years' service and would, it is said, suffer little loss by re-tiring at 60.

The instructions are likely to get a mixed reception from the unions. Those represent ing lower grades claim the plan amounts to compulsory early retirement, an interpretation denied by the Govern-

Those who leave can sign on to the dole until they reach 65 and qualify for the State pension as well as their index-linked civil

New youth jobs scheme urged for school-leavers

BY JOHN LLOYD, LABOUR CORRESPONDENT

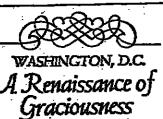
school-leavers to do community where possible work as part of a two year programme of training, pracschemes has comes from the "Jobs in the Eighties" group.

The group, an international search body, privately financed, argues that there is " basic mismatch " an intolerably large and growing number of young unemployed people " and " unmet community needs and a potencritical shortage of

A document, "Youth unemployment: the appropriate response," published yesterday. proposes a programme taking in an estimated 700,000 young people between 16 and 19 who are not in a job, or in further

The main elements of the programme, which would re-place one Manpower Services Commission's Youth Opportunities Programme, are:

a two-year introduction to



A laxury hotel in the great en tradition. Elegant, quie



Marshell B. Coyne, Probinder

A CALL for unemployed work, with on-the-job experience

 education in social skills, and encouragement . initiative

 work on community projects such as care of the elderly, the mentally and physically handicapped and children.

The scheme would not be compulsory. But it would follow the example set by the Government in withholding payment of supplementary benefits from those who refuse to participate.

The group proposes that the young people on the scheme would not be part of the collective bargaining system. They would be paid by the MSC and would therefore "be more attractive, as a commercial proposition, to employers than today's apprentices," the group

It says that the cost of the two-year scheme would be around £1bn—only £200m more than the present cost of keeping them unemployed.

Sanctions call to insurance group workers

By Brian Groom, Labour Staff

THE Association of Scientific Technical and Managerial Staffs is preparing to impose sanctions at Trade Indemnity, the credit insurance company, following rejection of an offer to increase basic salaries by 8 per cent.

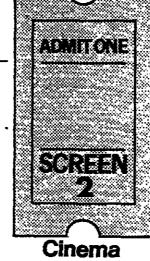
A series of sanctions will be put to a staff meeting next Wednesday if no better offer is forth coming. The staff voted unanimously to reject the offer

yesterday _. The union, which represents 210 of the company's 380 staff. is pursuing a claim for 15 per cent rises, together with a 5 per cent productivity payment and improvements in conditions.

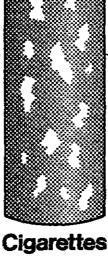
SPEAKING UP FOR SMOKERS

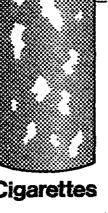
Hasn't cigarette tax gone far enough?

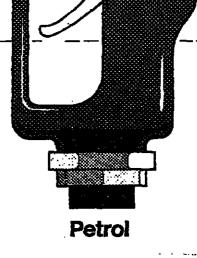


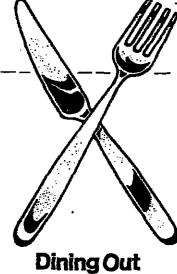












If you're a smoker, the first quarter of each cigarette is yours. The other three-quarters is what you give to the Government.

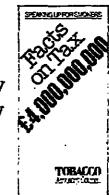
The Taxman takes nearly £4,000,000,000 a year from smokers (nearly £11,000,000* a day) That's much more than he gets in Petroleum Revenue Tax from North Sea Oil!

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For more information write for a free copy of leaflet to: Linda Murphy, Tobacco Advisory Council, P.O. Box 115, London SEI 3HG.

-*Figures quoted are based on Government estimates 1981, 1982 and include cigarettes, cigars and tobaccos, plus VAT.



Britoil shares to carry Cabinet veto on transfers

BY IVOR OWEN

trol of Britoil, the new comexploration and production activites of the British National Oil Corporation, Mr Nigel Law-

opening stages of the debate was Mr Tony Benn, whose of renationalisation official leadership and the hard left when the issue was last debated in November.

in reaffirming that the next ing a Second Reading, the for-Labour government will seek to mation and registration of prevent the legislation leading Britoil would not be long to speculative gains accepted delayed. consideration special would have to be given to company would not become fully

see the nature of the shareholding once the Government estabshes it," he said.

Bill would enable the GovernMr Lawson, who forecast that ment to take possession of the

"In essence we envisage that in any situation where there is an attempt to take over the company the shares held in my is that the sale of shares will name as Secretary of State should carry a temporary year."
majority of votes whatever the Onc nationality of the parties in-

Similarily in any situation

lose rights over N. Sea gas liquids

Corporation is to lose its right to buy up to 51 per cent all the petroleum gas liquids produced in the North

to be allowed to market or process all their gas liquids state participation rules, companies must sell up to 51 per cent of their output to BNOC. This is in line with the policy

of State for Energy, announted the move in the Commons yesterday. He said there was ample liquefied petroleum gas (LPG) to meet UK needs.

groups to benefit from the new policy will be Shell and Esso, which are to he allowed to use all the ethane pro-duced in their Fulmar Field. The gas is expected to be used as 'part of the raw material in the companies' £500m ethylene plant being constructed at Mossmorran.

would continue to handle gas linuids sold nuder existing state participation deals, But it was being told not to exercise its option in the future.

lessen the corporation's trading activities and influence. 1980 the corporation handled shout 100,000 tonnes of eas liquids, almost all nired under state narticination deals. This year it expects to handle nearer tennes, shout 80 per cent of which will be bought under the terms of state narticipation. The remaining 20 ner cent of the liquids will come from the corneration's own earlity interests in offshore oil and eas fields and from commercial deals.

nrise) Bill. which had its second Reading vesterday. will separate BNOC's trading arm from the oil exploration and production husiness. The corporation's operating activities will he incorporated in a new privatised company -

Tory rebels canvass compromise on lorries

back benchers who are threatening to defeat the Government if it presses its plan to increase the top weight to 40 tonnes were vesterday canvassing stroport for an increase to 38 tonnes, accompanied by a firm commitment to build more byasses and improve safely standards.

The Government announced shortly before Christmas several proposed increases on the present top weight of 32.5 tonnes. These ranged from 34 connes on four axles, through 38 tonnes on five axles, and up to 40

THE Social Democratic-Liberal

alliance would be prepared to

link with any other party in

the Commons in order to pro-

vide "steady government for some period," Mr William

some period," Mr William Rodgers, one of the SDP's founders, said last night.

BBC programme Taking Issue,

Mr Rodgers said that if the next

election produced a balance between the parties, it would be

look for the minimum common

programme of economic and in-

dustrial policy, and then to try and get together, rather than shouting at each other across

Mr Rodgers was involved in a

discussion with Mr Roy Hattersley, the shadow Home

Secretary and a former close

ally on the Labour right. Their

exchanges focused on the nature of Labour's problems and

on the basis of the SDP's sup-

Mr Hattersley's main charge

would break down as

together by an

basis and the

democratic

Mr

was that the alliance lacked any

philosophy and its "brittle

soon as policy decisions had to

In contrast, he said Labour

questioning,

be taken nearer the election.

the House."

unity

was bound

philosophy

socialism.

ideological

a matter of common sense to

During a discussion on the

the Government's proposal for of feeling about juggernauts in been signed by 41 Tory MPs... demands of the community. increasing maximum lorry their constituencies. In a debate which suggests that there is The motion does not refer weights seemed to be emerging on lorry weights, 11 voted very little chance of the Govern- specifically to the proposed yesterday.

Service of the Govern- specifically to the proposed ment getting the original range of maximum weight in-Some of the Conservative warned that they would not support the Government if it But the motion could form the of the signatories of the motion ignored the warning signals, basis of a compromise it weiand proposed regulations to increase the permitted weights.

It was assumed after the vote that the Government would have to climb down, though during the recess, Mr David proposals. These should include Howell, the Transport Secretary, gave a speech in which ment, taxation on heavy lornies he appealed to Tory MPs to to cover track costs, an accelerconsider the advantages of his ated and enlarged road proproposals.

The proposals appalled many Government to rethink its pro-

package through the House.

comes some aspects of the Government's White Paper on Lorries, People and the Environment, and urges gramme of by-passes and lorry

As soon as MPs returned to routes where practicable, to-Westminster on Monday, opponents of the original scheme and dimensions of lorries, started collecting signatures which, while recognising the for a motion calling on the need to improve the international competitiveness of the

bargaining between the parties

in the negotiations on both parliamentary seats and policy

was stressed last night by Mr

Mike Thomas, the Social Demo-

crat MP for Newcastle East.

Speaking in Cambridge, he said that "anyone who believes

that changing the face of British politics can be done by

a bunch of milksops who never

dare to disagree with each other, and have no deep con-

victions that need arguing out,

should get out of the kitchen

Mr Thomas argued that the

SDP had to be satisfied that "on

A POSSIBLE compromise on acutely aware of the strength. The motion had yesterday more satisfactorily meet the

creases. But it looks as if some would be prepared to accept 38 tonne lorries with five axlesless weight on each axie-even though they are adamant that they are not prepared to approve either the 40 tonners or the 34 tonners. ...

Meanwhile, Mr Howell and the Road Haulage Association are continuing their efforts to sell the full range of proposed increases to Tory MPs.

Around 90 back benchers have been invited to Conservative Central Office later this week to discuss the situation and hear the arguments of the

Alliance would consider coalition Benn plans campaign in hung parliament, Rodgers says call to left

MR TONY BENN and his advisers are preparing a statement to put to a meeting of left-wing Labour groups on Saturday calling on the left to join in a new campaign asmed at winning the next election for Labour on the basis of party conference policies.

The statement is expected to stress the need for tolerance and unity in the run-up to the election. But the inference will be that the left will feel justifled in breaking the new truce in the party if the right attempts to reverse any of the policy gains made by the left

any likely outcome there is over the past two years.

The statement will amount to likely to be a rough parity in the numbers of Social Demothe first formal response by Mr crats and Liberals elected to the Benn to events at Bishop's next parliament. Indeed, both parties accept that anything else could fatally unbalance the Stortford two weeks ago. It is eimed at marking the beginning of the new phase in the left's tactics, and reflects a recognition by the far left that it is unlikely to get anywhere if it trie to push any further major changes through the party.

Delegates at the meeting be told that because the left. has succeeded in getting the reforms it wanted-both in terms of policy and the party constitution-it should concentrate its energies on getting a Labour government elected. That government could then put the policies into practice rather than spend more time on internal Labour Party

against both the Government But the most intriguing and the SDP. -

The statement is expected to lay down a list of future objec-tives for the left. These are likely to include insuring that the parliamentary party sticks to the policies already agreed by conference—supporting the unions in the fight against the Government's industrial relations legislation and backing Labour councils in their fight against the new controls on

right sees it as.
Mr Benn has clearly been upset by suggestions that the left does not really want Labour to win the next election. He argues that on the contrary, the left has everything to gain from a Labour victory now the party is

remains strong in the con-stituencies he has become steadily more isolated within the parliamentary party over the last few months. Since the party conference, all the various groups which make up the "outside left" have been taking stock of their position, and though some organisations, like the Socialist Organisers, seem determined to carry on the fighting within the party, most of the

Merlyn's

Commons Sketch

wanderings relieve 1 Mr Foot

OUESTIONS about the rail drivers' dispute and the pros-pect of 3m unemployed hardry got off the ground yesterday when the Prime Minister returned to the Commons to face MPs for the first time since the Christmas recess. Industrial disputes and the state of the economy were pushed to one side by two MPs—rape and the Yorkshire

Ripper. Prime Minister's Question Time started with Mr Alan Beth, Liberal chief whip, asking for Mrs Thatcher's reaction to the Try programme which showed
Try programme which showed
Thames Valley police giving
a tough grilling to a woman
who said she had been raped.
Yes, Mrs. Thatcher shared the
concern about this programme and feft it was vital that women should have con-fidence in the ability of the law to protect them against

odious crime." This was followed by a scattling statement from Ma William Whitekaw, Home Secretary, on the way West Yorkshire police had canducted the investigated into the Yorkshire Ripp killings.

Giving the summary of enquiry carried out by Mr. Lawrence Sylord, an Inspec-tor of Constabulary, Mr. Whitelaw said there were major errors of judgment by the police and some inefficiencies in the conduct of the operation. But for this Sutcliffe, the killer would have been identified earlier and lives saved. earlier and lives saved.

After these harsh criticisms

Mr Whitelaw's conclusions
seemed a hit of an anticlimax. He did not seem
inclined to take any strong
disciplinary action. There

would be no sackings, but the handling of the Ripper investigation would be taken into account when top police men in the force came for promotion. With these land matters i

of the way the House turner its attention to the Govern ment Bill proposing to sell off the North Sea oil producing business of BNOC.

Despite the Opposition's fervent commitment to mount a massive stack on this proposal only about half a dozen Labour back benchers bothered to turn up for the

absentee was Mr Tony Benn, the former Energy Secretary. On the last occasion that energy was debated in the House Mr Michael Foot, the Opposition leader had allowed the prominent left-winger to speak from the Front Bench despite the protests of other members of the shadow Cabinet.

Mr Benn had promptly outraged them by giving a commitment thta a future Labour govern-ment would renationalise North Sea oil without compen-

Presumably Wedgie has not been gagged by some seem subclause in the great peak settlement put together Bishop's Stortford Ever ready to put the boot h Mr Nigel Lawson, the Energy

Secretary, called on Mr. Merlyn Rees, Labour's energy spokesman to disown this pro-posed "theft." So rambling was Mr Rees's

reply that it seemed he was going to avoid the subject altogether. But eventually he repeated the statement which had been drawn up by the shadow cabinet. BNOC assets would be restored to public ownership, but private speculative gains made at the nation's expense would not be handed back.

Mr Foot, who had been keeping a watchful eye on Mr Rees. looked relieved and satisfied at the repetition of this cobbled-together formula.

John Hunt

Police errors blamed for delay in arrest of Ripper

Peter Sutcliffe, would have been the West Yorkshire Police, the arrested earlier — and many of Greater Mancheder force and a

In a Commons statement on sive credence" to letters and

"With hindsight it is clear

said.

Mr Whitelaw said later: "I that all the officers regionsible have to accept that it Sutcliffe for the Ripper investigations had been arrested earlier there were not still in charge of would have been those who were investigations into gericus subsequently killed who would crime.

But he added he had sold the

his victims saved - if the number of other forces involved. A serious handing was the major incident room which rather than being the effective nerve of the whole police operathe review of the Ripper case tion, became overloaded with Mr Whitelaw told MPs York unprocessed information with shire police had given "exces- the result that vital connections between related pieces of tape from a man claiming to be information were overlocked. said the review.

Sutcliffe was interviewed by that if these errors and methic-ences had not occurred Peter case on the occasions between Sutcliffe would have been iden-tified as a prime suspect sooner 1975 and his arrest in January than he was," Mr Whitelaw Mr Whitelaw hold the Com-said.

BNOC to By Ray Dafter, Energy Editor

THE GOVERNMENT is to the board the shares held in the assume what amounts to a name of the Energy Secretary power of veto to prevent un would carry a temporary desirable interests taking con-majority of votes on any resolution to appoint, re-elect or to pany which is to take over the remove any director. son, the Energy Secretary, the Bill through Parliament — announced in the Commons last would provide effective safe-

Mr Lawson's assurances that changes in control of Britoil. Britain's North Sea oil interests the Government's privatisation ment directors on the board of plan failed to satisfy the Oppo- Britoil for as long as the size sition, and a protracted battle of the Government's sharehold-over the Oil and Gas (Enter- ing warranted it.

A notable absentee from the

Mr Rees made only the Mr Lawson indicated that briefest possible reference to once the Bill had secured this "little local difficulty" and approval in principle by obtainshares held by employees,

Labour's stance over compensa- corporation's shares in Britoil. tion would make little difference the attractiveness of the shares, explained that the provisions to safeguard the national interest would be embodied in Britoil's articles association.

volved," he said.

control over the composition of for the flotation.

Mr Lawson maintained that the articles of association-to be published during the passage of guards against unacceptable

He also disclosed that it was will be fully protected under intended to keep two Govern-

prise) Bill was foreshadowed by Mr Lawson stressed that Mr Merlyn Rees, Labour's BNOC itself would remain in shadow Evergy Minister.

Experimental Property of the Company of the Company

But the Bill would end the corporation's special access to interest-free money from the without compensation widened National Oil Account — an the rift between Labour's arrangement which had been arrangement which had been much criticised by the House of Commons Public Accounts

Committee.

But he emphasised that the operational until the Bill was "We will have to wait and actually on the Statute Book. reorganisation BNOC's assets was complete, the

> The initial aim would be to sell 51 per cent of the shares. The Bill would keep open the way for a further sale from the Government's shareholding at

> some later date. Mr Lawson told MPs: "While the precise timing of the flotation naturally remains subject to market conditions my hone take place before the end of this

Once the Bill had secured a Second Reading the corporaacting consultation with the Energy where there were attempts Department, would take approdirectly or indirectly to obtain priate steps to prepare the way

THE British National Oil

Producing companies are including ethane, an im-portant petrochemicals raw material. At present, under

for crude oil. Mr Hamish Gray, Minister

One of the first offshore in Fife, Scotland.

Mr Grav said in a parila-mentary answer that BNOC

The move will considerably

The Oil and Gas (Enter-



RODGERS

Hattersley claimed there was " a very substantial chance of changing the electoral college for producing the party's leader towards one man-one vote in

"A matter of common sense"

the constituency section." Mr Rodgers stressed that the two parties in the alliance would be separate but would fight as a partnership up to the election. The inevitability of hard

He stressed last night that neither party would be prestages of cementing an alliance for the election until considerable further progress has been made in the two joint commissions on constitutional matters

talks with the Liberals.

Mr Thomas has argued the need for "secure foundations, not generalised good will" in

pared to move into the and industrial recovery, and

until the SDP has an operating

Delegates will be urged to

local authority spending.
The final draft of the programme still has to be completed but it looks as if the emphasis will be on presenting the left as the responsible, outward-looking force within the Labour Party, instead of the destructive, divisive, force the

committed to the kind of policies the left believes are necessary. Though Mr Benn's support

more influential speakers on the

left want a truce.

FINANCIAL TIMES REPORTER THE YORKSHIRE RIPPER, major errors of judgment by

police had not made "major errors of judgment the Home Secretary said yesterday.

Jack the Ripper

not have been."

The review carried out over postes authority he was not five months by Mr Lawrence prepared to agree to after state.

Byford, an Inspector of Con-officers being promoted to stabulary, found there were assistant chief constable.

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The Rove

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BENCHL

Qualities t

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The sleek

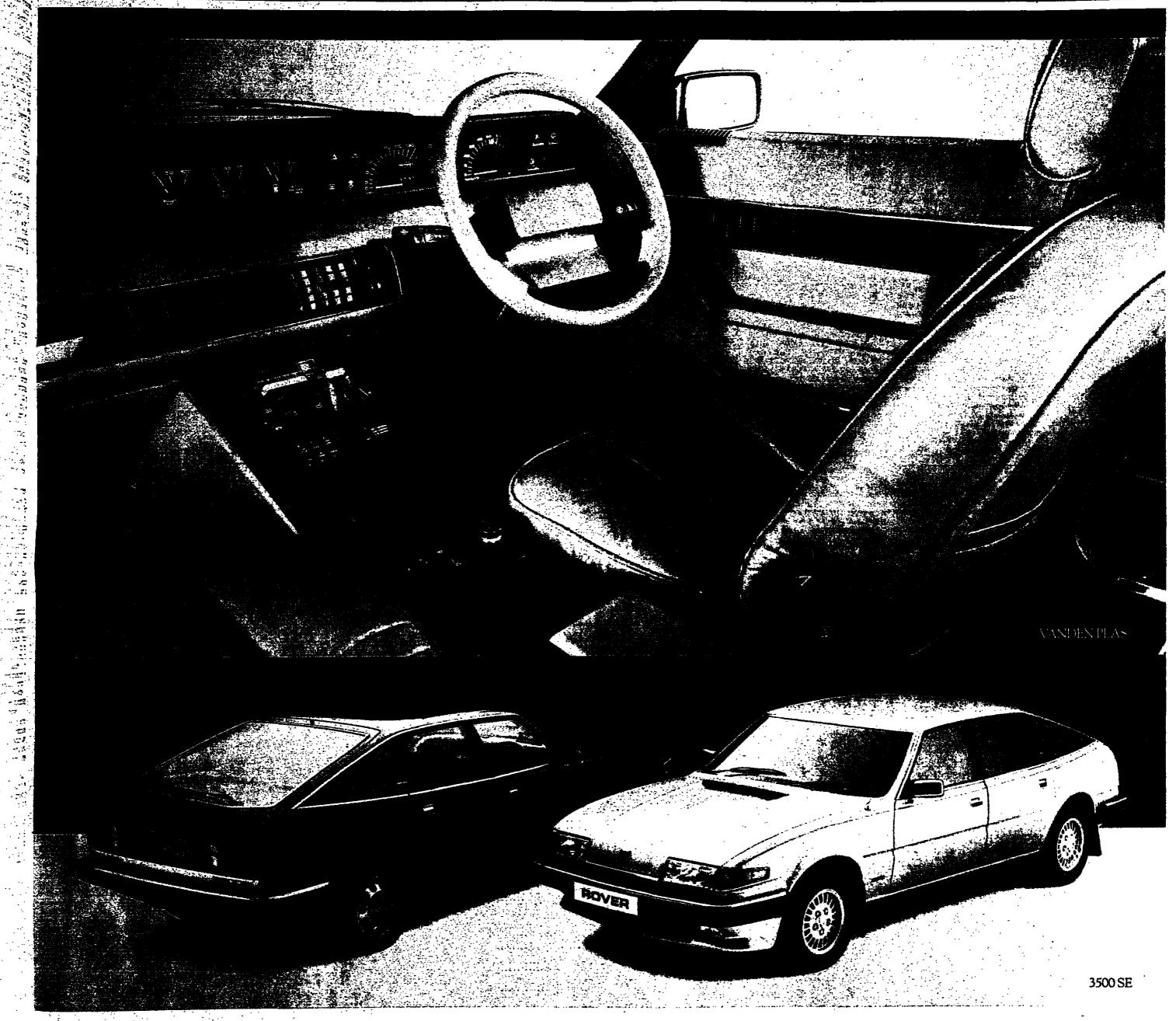
Apple g Des

Monte front

At the rear

Deads.

aludiet adv



The Rover name stands for innovative design, performance, prestige, technological development and achievement.

Qualities that have long made Rover a very special driving experience.

Never more so than now

The new Rovers come to you with advances in styling, in handling, in economy, in comfort and in finish.

The sleek aerodynamics of the Rover body have been further advanced with flush-fitting restyled headlights, a new grille, wrap-round bumpers and a handsome front spoiler for improved road-holding at high speeds.

At the rear of the car we've deepened the tail-gate

window for greater visibility, guaranteed even in poor

weather by a new, programmed rear wash-wipe system. We've redesigned the interior of the new Rovers as well.

The new, low profile instruments binnacle and new centre console combine to give you fingertip controls and quick-to-read instrumentation all in a totally new driving environment.

And, as you sit back in supreme comfort, you'll appreciate that a traditional Rover luxury - walnut panelling-has made a welcome return*

You'll also welcome the fact that we've revised the rear self-levelling suspension* and upgraded the braking system to bring you a more positive and responsive driving experience.

There are eleven lustrous Rover colours. And, by using the world's most advanced and

proven paint technology, we're ensuring that the new Rovers are protected against all the rigours of the British climate.

We've also extended service intervals to 12,000 miles or 12 months.

We've not only developed the cars, we've added

to the range as well. With a new, 104 m.p.h. twin carburettor five speed 2000 model to add to the Rover driving experience.

The six new Rovers. From the ultimate luxury of

Vanden Plas to the sprightly economy of two litres.

Ask your dealer for a test drive. And an advanced

driving experience.

ROVER WADVANCING THE DRIVING EXPE

OFFICIAL D.O.I.FRIGURES. ROVER 2000, MANUAL. SIMULATED LIBBAN CYCLE. 23.9 MPG (DLB L/100 KM). CONSTRUT 55 MPH, 42.6 MPG (5.6 L/100 KM). CONSTRUT 55 MPH, 42.6 MPG (5.6 L/100 KM). MODEL PRANCE: 2000, 2300, 2300S, 2600S, 3500SE, VANDEN PLAS.

OFFICIAL D.O.I.FRIGURES. ROVER 2000, MANUAL. SIMULATED LIBBAN CYCLE. 23.9 MPG (DLB L/100 KM). CONSTRUT 55 MPH, 42.6 MPG (5.6 L/100 KM). MODEL PRANCE: 2000, 2300, 2300S, 2600S, 3500SE, VANDEN PLAS.

GEOFFREY CHARLISH reports on the hotels' computer market—ALAN CANE looks at office automation

Modular system for the hotel 'lodgers'

WITH THE introduction of three new products on which development in the U.S. and UK, NCR is making a new push in the hotel computing systems

The most impressive of the three is called MLS (modular "lodging" refers to the whole hotel industry).

It is based on twin processors—with one on standby in case of failure—and a common database on which everything is recorded including data from reservations, registrations, room ing, all entered on the custom. Expenditure management and guest account-

ry visual display unit. Even phone call costs can be automatically received from a phone monitoring system such as Teltag or Tiger and, later this year, it will be possible to receive and post entries from the company's 2160 bar/ restaurant terminal, also introduced this week.

The system, which costs from about £50,000, is aimed initially at hotels in the 150 to 500 room range. It can be customised easily on site to meet the requirements of a particular hotel and can be installed in phases starting with reservations and later encompassing all the front desk operations.

It can also be connected to NCR's existing hotel accounting systems so as to integrate such items as accounts payable, payroll, ledger operations and stock control.

A particularly useful staff facility is called "maid dial in" in which a chambermaid can

Prieska Copper Mines

asued capital 54 000 000 shares of 50 cents each

(Proprietary) Limited

Ore milledt

Coppert

Concentrates despatched

Zinct

Copper

Operating profit/(loss)

Non-mining income

Net profit/(loss)

Capital expanditure

Operating results

Outstanding commitments at 3 (30 September 1981: R775 000).

Despatches, which very from quarter to quarter, are brought to account at their estimated receivable value. Operating profit takes into account adjustments following final price determinations on despatches made during previous quarters.

No texation was payable as the Company has an assessed loss

Consolidated Murchison Ltd.

Issued capital 4 150 000 shares of 10 cents each

Ore maked
Antimony concentrates plus cobbed

Sales of antimony concentrates less realisation charges

Working costs

Prospecting expenditure and stores adjustment

Profit before taxation

Texation

Capital expenditure

(30 September 1981: R47 000).

Operating results

Financial results

pairs need to be carried outanother room will automatically be allocated in its place at the built in. time of guest registration.

MLS can be arranged to accommodate up to 10 direct visual display terminals, up to lodging system: in the U.S. 10 inquiry terminals, and up to eight printers on which a variety of management reports can be generated, customer's accounts generated and expenditure vouchers from other parts of the hotel validated (over-printed).

Keystone of the system is the reservations module, at which basic data about the customer and his length of stay is entered. By keying in arrival and departure dates, name and address, type and number of rooms needed, the telephone clerk can easily see what rooms are available. From then on, all other data about the customer's expenditure at the hotel is accumulated, to be finally printed out on his bill on

departure. Group reservations, advance deposits and special guest services can all be dealt with. Then, on registration, the customer does not have to fill forms or cards. On departure he gets an itemised bill.

NCR is also introducing a less comprehensive system called the 2950 for hotels with up to 250 rooms. The system has been developed in the UK and costs under £7,000 with software.

put a vacated room out of opera- processor-based system with tion on the system if room re- screen and keyboard, 27 programmable function keys and slip, receipt and journal printers

The guest accounting function deals with registration through to checkout. New guest accounts are started by keying in a room number which is automatically checked against a memory-

based room table for availability. When a room is allocated, a new guest account is headed up and the cashier indicates the room rate, enters the number of guests and departure date.

Charges may then be posted to the account by keying in a room number and the account number—the terminal will pick up the previous balance. Charges are posted by using department keys or a pre-set key. End of day reports are produced automatically.

NCR's third new offering is the 2160 bar/restaurant point-of-sale terminal. This has a sealed micro-motion keyboard and can be connected to printers in kitchen and bar.

Items ordered by customers are entered by individual waiters using access codes contained in magnetic "pens" or via the keyboard, and the items appear on a small screen for verification. The orders are prepared in kitchen and bar from the displays there, with cooking instructions where necessary.

A complete list of menu items with plain English description as on the restaurant menu can be stored within the system and the pricing is automatic. NCR It is a free-standing, micro- is on 01-388 8248.

Hartebeestfontein

Operating results

Uranium oxida

Financial results

Gold

Ora milled

Gold Mining Co. Ltd.

Gold recoveredkg

Yield g.t
Revenue R.t milled
Costs R/t milled
Profit R.t milled
Revenue R000
Costs R000
Profit R000

Pulp treated to to Cxide produced kg
Yield kg/2

Working profit - gold mining Profit from sales of uranium oxide,

pyrite and sulphuric acid

Capital expenditure

Sampling results on Vasi reet

Dividend

288) vasunaturi akdavaq Capital expenditure

Financial

16 599

16212

R000

23 180

17 068

6 112 459

8 571

615

5 956

1 343

4613 1 282

2 496

3778

-uranium caide . . kg t

......cm.kg/t

iends

Profit before taxation and State's

Profit after taxation and State's

Issued capital 11 200 000 shares of R1 each

Revolving around human habits

IBM AND XEROX agree on at The Ethernet concept has to convert to broadband least two important aspects of been embraced by Digital Mr Strassmann is office automation. First, that Equipment, biggest all business people.

The IBM case was discussed

late last year (see this page, December 23). Mr Paul Strassmann, vice-president, strategic planning, for the Information Products Group, last week defended his comnany's strategy.

Mr Strassmann's position at Xerox gives him charge Ethernet, the area network on which Xerox is staking its future in office

HETWORK LAYER

Ethernet Architecture

1 509 000 15 145,40 10.0

130.05

RODO

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123 070 67 453

55 617

9 249

42 000

51 730

1 371 0,47 23,76

569 460

110 555

750 000 7 632,00

109 148 0,15

R000

54 103

4770 4025

27 560

3 204 455

3 659

197

55,23 74,38

99 131 42 679 56 452

R000

56 452

535 3 294

60 281

6 045

42 000

48 071

1704

26,3 1 295 0,47 23,08

Interim divident No. 52 of 375 cents per share was declared in December 1981 and is

Outstanding commitments at 31 December 1981 are estimated at R26 999 000 (30 September 1981; R6 958 000).

miniwiring up the office is not as computer manufacturer in the easy as the salesmen would world, and by the pretigious have it Second, that their semiconductor house Zilog, systems cannot be all things to both of which are helping to develop the system, but there is plenty of opposition.

Last year, a report from a U.S. consultancy Strategic Incorporated said that Ethernet would be Xerox's undoing. And others have emphasised the importance of more modern local area networking technologies based on broadband techniques rather than baseband as in Ethernet.

A few days ago (see this page, January 13) 3M introduced a device to enable baseband users

impressed by the nology (which enables the user to transmit several sets of data and television pictures down a single cable). He said: "There was not a single fact in the report. Its

conclusions were based on opinion and were based heavily on old history and personalities. There was no cost analysis to support the case—and that is the pivot of the local area network argument."

On baseband he "Ethernet cannot be all things to all people. But its utter simplicity makes it possible for the user to instal a local network more simply and much cheaper than any afternative." Local area networks make it.

possible to move information between office machines—word processors, memories and printers—quickly, reliably and cheaply.

The Ethernet version (see diagram) depends on a single coaxial cable to carry messages from terminal to terminal. This is the network layer. The user layer contains machines themselves.

The user layer is connected to the network by an interface, a transceiver and a tap which code the data and transmit it to the network at the appropriate Smart software ensures

messages get through to their. destination, another terminal or a device in the server layer such as a memory or printer.

That it is a good system is acknowledged by the number of companies which have taken out licences to work on variations-Hewlett Packard, for example.

IBM, however, is known to favour a system of token pass-ing which enables messages to

Mr Paul Strassman, Vice-President of the Information Products Group of Xerox

be given special priorities. Mr Strassmann said: "I will not take the rabbit view that token passing is balderdash-in a missile system, you might-want to give priority to a message that the belium tanks were about to explode."

Mr Strassmann, a former data processing director with General Foods and Kraft both of whose sons are computer engineers argues: "Xerox is a company that revolves around the habits of the human race.

Ethernet could easily be converted to broadband. "It is a nothing, these are nou-discussions. I wish people would discuss the important issue like the lengthy period of social and economic change that will be necessary before electronic office systems are fully accepted," Mr Strassmann said. "Technology is cheap; human beings are expensive."

GENERATORS TOPOLINA WATER PUMPS UPTO 8 INCHES ATALANTA

Blowing the bubbles for photocopiers

CANON Business Systems will eventually blow bubbles of ink to produce photocopies. It says it has developed a variation on conventional ink jet. printing which is likely to be used in future plain paper copiers. According to the company, early tests show that the system can print up to 120 times faster than International Standard ink

print quality. The printer generates bubbles to eject ink through a series of densely packed ink nozzles— eight nozzles per mm.

jet printers without impairing

The bubble jet came to the otice of Canon researchers by accident when a soldering iron fell against a syringe. The heat formed a bubble which forced liquid through the syringe

Low toxicity

A FORMALDEHYDE-free preservative, with low toxicity characteristics and designed for use in water based paints, dyes, inks, adhesive and glues has been amounced by Sterling Industrial, Chapeltown, Shef-field (0742 467171).

The company says that Parmetol K40 does not incorporate phenois or heavy metal sub-stances and has a wide bactericidal and fungicidal effect with its main active ingredient being a heterocyclic sulphur/

ANGLOVAAL GROUP

Mining companies' reports - Quarter ended 31 December 1981

690,000

1 648 160

1 S06 95

1711

.___ 678

678

6 599

103 000

4327

4719

R000

179

1 116

105400

4 387

5 646 R000

107

The revenue from the sale of antimony concentrates brought into account each quarter is based on actual shipments made, which can vary considerably from quarter

Final dividend No. 70 of 80 cents per share was declared in December 1981 and is

nts at 31 December 1981-are estimated at R347 000*

at 31 December 1981 are estimated at R994 000

1 406 000

R000

1 206 268

1 474

1 271

1 279

1 627

2 906

All companies mentioned are incorporated in the Republic of South Africa. All financial figures for the quarter and progressive figures for the current year to date, except those of Loraine Gold Mines, Limited for the financial year and quarter ended 30

Rate of exchange on 31 December 1981 R1,00 = £0,54 £1,00 = R1,85. Development results given are the actual sampling results. No allows for adjustments necessary in the valuation of the corresponding ore re-Shareholders requiring copies of these reports regularly each quarter Secretaries, Anglo-Transvaal Trustees Limited, 295 Regent Street, Lo

Eastern Transvaal Consolidated Mi



een made rite to the SST.	À
(continued	1)
	rite to the SST.

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	31 Dec. 1981	30 Sept. 1981	30 Sept. 1981	l
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sid	•			ŀ
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lid recoveredkg	1 850,10	1 805,10	6 190,60	ı
venue	4.5 59.15	4,4 58.10	3,8 50,98	ı
sts	54.65	- 53.82	47.92	ł
ofit	4.50	428	3.06	
venue	24 255	23 879	83 658	
sts	22 408	22 120	·78 643	
ofit R000	1 847	1 759	5015	
nancial results	R000	R000	ROCO	-
orking profit - gold mining ss on sale of uranium oxide	1 847	1 759	5,015	
d pyrite			. 68	ı
n-mining income	650	449	1 469	í
ate assistance	534	1 113	6 3 5 3	l
·	3 031	3 301	12 769	١.
erest paid, stores adjustment				i
d service benefits	380	986	1 032	i
buting royalty payable	125	171	659	1
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pital expenditure	6 695	8 876	20 408	
ans received	1 974	5416	8 930	1
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an repayments	34	13	25	
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ivanced	0 454	6 342	23 764	
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annel value	43.0	- 30.6	17.0	
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astem Iransvaal	
Consolidated Mine	s, Ltd.
sued capital 4316 578 shares of 50	-
	Quart

Q	Querter ended 31 Dec., 1981	Quarter ended 30 Sept. 1981	Six months ended 31 Dec, 1981
Operating results	•		
Gold	70.040	77.300	422
Gold recoveredkg	78 240 581 22	77 260 579.45	155 500 1 160.67
Yieldgt	7.4	7.5	7.5
Revenue	85,94	9 5,95	95,95
Costs R milled	41,56	41,15	41,36
Profit P. t miller	54,38	54.79 7.413	54,59
Costs	7 507 3 252	3 120	14 920 6 432
Profit	4 255	4 233	8 488
Financial results	R000	R000	R000
Working profit ~ gold mining	4255	4 233	8 488
Non-mining income	389	101	490
	4 B44	4 334	8 978
Prospecting expenditure	203	205	408
I lastonia education and a second			
Profit before teastion	4441	4 129	8 570
Texation	2 186	2 212	4398
Profit after texation	2 255	1 817	4 172
Capital expenditure	511	197	· 708
Distriction of the control of the co	2 690	_	2 E90

3 101

Interim dividend No. 63 of 60 cents per share was declared in December 1981 and is payable in January 1982. Outstanding commitments at 31 December 1981 are estimated at R197 000 (30 September 1981: R157 000). Loraine Gold Mines, Ltd. ssued capital 16 366 986 shares of R1 each Pro 1848 65.5 537 Elsburg reefs 852 109 6,8 747 3270 Taxation No texation or Statu's share of profit was payable as the Company has a Outstanding commitments at 31 December 1981 are estimated at R25 903 000 (30 September 1981: R23 811 000). The preliminary striking of No. 1C Sub-vertical shaft was completed to a depth of 36,4 metres below 52 level and the shaft was concrete lined to a depth of 10,5 metres.

These reports have been approved by the directors of the respective companies and a each case have been signed on their behalf by two of the directors.

Robot emphasis in conferences

between now and early spring. handling.
There is a heavy emphasis on On February 18 and 19 automation and robotics.

Engineer's Digest is holding a One of the first is a two-day "Summit on Automated Manu-

One of the first is a two-day event to be held in London at the Royal Aeronautical Society's Lecture Theatre on February 4 and 5.

Sponsored by the Technology puters in production computer Transfer Society (01 242 4045), aided engineering and the autoit is entitled "Factory of the matic factory. Future." Of the 13 speakers, There is a good balance of facture, cellular manufacturing systems, computer aided quality assurance, materials storage and retrieval, shop

floor data collection, software, artificial intelligence

February through to December. The first one day meeting is called "Assembly Automais Professor Keith Rathmin or Cranfield Institute of Technology, the speakers are all from the UK and the day's you can have the system in a waining reneered cabinet. The

AT LEAST three organisations machining, industrial robots, are planning conferences con- automated inspection and automanufacturing matic warehousing materials

> facturing" at the Mount Royal Hotel, London.

There will be four main sessions covering concepts; com-

10 are from the U.S. and the speakers from the universities, topics include government/ the research associations and industry planning, batch manufrom industry. Engineer's Digest is on 01-353 9751.

Burglar lamp

robots and process planning.

IFS (Conferences) of Bedford (9234 853605) has a promessage from Security and Com-

The company is not suggesttion" and will be held at the ing that you hit the burglar over the head with the lamp but, inruary 16. Introduced by stead, instal its introder detec-professor Keith Rathmill of tion system in the base of the

ANGLIA

BORDER

CENTRAL

CHANNEL

RADIO T

RADIO 2

Other one day meetings ments — such as an outside wall include "Lasers in Manufactur- siren or additional remote detecing" (London, February 23, tor heads are self-contained, repeated on November 24) and simple to position and connect Vision and Sensing" (London, and "will protect your property for life."

Subjects to be covered later Full technical details are in the year include electrical available on 0227 274825.



Magazine screwdriver

FORPAK of Romsey, Hants, has introduced this belt-loaded, power assisted "Helz-Her" magazine screwdriver. A variety of screws with counterstank Positive No-2 slots are available in belts from the company in stars from 3.5/4.2 x 2 x 25min to 45mm length. Pemetration of the screw head can be adjusted up to plus or minus 5mm. More from Forpak, Romsey Industrial Relate, Greathridge Road, Romsey (6.794, 515522)

pirtibi di Zili ja Please he;

RELIEF /

µ° yeeq

Room F.1

GARDENS TODAY

Dispelling gloom with orchids

BY ROBIN LANE FOX

WHY NOT cheer suggestive ap Arinstead, or the admirable list for the New Year by Hying of P. J. Christian at Pentre something rare and maintail. Cottages, Minera; Wrexham, Many of you must be a Clwyd, North Wales. Anything mood to give not go and the has survived in a Welsh will have killed three politics a decade in my drawing-room. The thew is leastly folls of than the hardy forms of pleione. The colours keep increasing and the warner maintain for the admirable list they are worth watching, as their family is always being extended into new colours. They growers of bulbs in cold frame, unheated greenhouses, and even for curious beauty, if they are to be enjoyed.

Cypripediums would raise more eyebrows, because so than the hardy forms of pleione. The colours keep increasing and the warner maintain for the warner warner maintain for the warner warner warner maintain for the warner warner maintain for the warner warner warner warner maintain for the warner warner warner warner warner warner maintain for the warner war

snowdrift & garden ems. like crosses and selected forms.

I need to be coare hack to bulbs are the dream of smateur life by contrising us from small exhibitors. They look so exotic, island of perfection but where nothing can spoil if obserting and multiply for anyone. hopes A pot or circular is the The flowers are only four only asswer, kept on a cool inches high, but are so spectacuwindow-sill, wher another lar that they need no height, round of low night amperatures. They open out into a deep cannot do much darage. /I want something interestig, where I can control and observe it.

Fortunately, nor is the right season to find it, swe are being sent the lists of ummer-flower-ing builts. Glassis sound tempting, and I toy with the prospect of yet more cyclmen. But such is the gloom at he moment that will have to resort to an

I do not war any nore tender cynbidiums bout the house, though I am'noresed by their resistance it very low night heating androoms which have iced all our these lower windows. I down take the blowsy rose.

Almost all the named forms are worth buying, but I greatly prefer the paler shades and the whites. Blush of Dawn is a good beginner's buy, while the white bulbocodioides alba is gleaming white, marked with pale primary more. cattleya of the demure Moon Orchid wich sells by the thousand if Far Eastern Roating markets: Like the hardy, wild varieties if Europe and Japan, varieties of Europe and Japan, garlic will ever make a show. bulbs which can be risked out if ted in a shallow pan nose doors in aild seisons, but which flower sfely way from the mud and the trost, if kept by your disk in a pot.

Someret, Ingwersen's at East or two and fill a whole pan.

8BC 1

1/5 am for Schools, Colleges.
12 You and Me. 10.15 For Schools, folleges, 12.30 pm News

at One, 1.45 Postman Pat. 2.01

For Shook, Colleges, 3.05

Equas & Praise from Hereford.

3.40 Ply it Safe! 3.53 Regional

News or England (except London). 3.55 Play School. 420 Secre Squirrel. 425 Jacksnory.

4.40 Take Hart. 5.00. John Crayo's News,ound. 5.10 The

Stor of the Treasure Seekers

60 Nationvide (London and South Zast).

7.25 The Wednesday Film: "The Shalt Not Kill." starrog Lee Grant

Tenns (Volvo Grand

New York) and World Cup

Sking (Ladies' Downhill

10.30 Parlinson and his mid-

11.30 Glass Knight and the

Bad Gastein.

by ! Nesbit.

_25 Nationvide.

9.25 Spertnight

from

Pip.

Austia):

11.28 New Headlines.

50 News.

and multiply for anyone.

central throat with a spotted lip of contrasting colour and a backing of outer petals, not unlike the "standard" on a bulbous iris. Among hothouse orchids, they are most like a scaleddown cattleya, a smaller version of those deep-throated orchids which were pinned on the velvet tea-gowns of Edwardian women on the make.

Almost all the named forms

Pleione bulbs are like firm pips and you will wonder how these dark olive-green objects. like some weird little cloves of wards, and barely covered, they will delight you in a few months' time.

The late-flowering form is Alpire specalists sell most of more awkward, but these new sidetable over the next few em: Broadeigh Gardens in crosses will multiply after a year years.

woodland orchids still waiting others now offer properly grown varieties, respectably collected and propagated at prices which suit their for just recognition by gardeners. Here, I think their marketeers are to blame. We are still brought up on the big tropical blooms of Singapore orchid houses, those banks of tongues and inscrutable faces which stare in such lovely colours off the show-bench or rich greenhouses at 60 to 70 degrees Fahrenheit.

> Lovely though they are, I make a British name.

Bletilia, calanthe, and the

LONDON

Chris Dunkley: Tonight's Choice Yet another strong night for BBC-2 and Radio 4. The repeat of Life On Earth reaches its penultimate episode, "Life In The Trees," which features the apes and that celebrated sequence in which David Attenborough ends up grinning delightedly at the

survival. P. J. Christian and

Personally, I liked the famous

Lady's Slipper least of the whole family. Perhaps I

remember its pouched flower of

yellow and chocolate growing

wild in the Bavarian Alps and

them in English cold frames. I

have never had much luck with

them, probably because I do

not keep their peaty composts

Far easier are the small

American forms, particularly

the little parviflorum, which is

also yellow and red-brown. I recommend this as a challenge

which ought to succeed. Best of all is the North American

reginae, an orchid which bears

big leaves up its stem and comes

white pouches, fading slowly to

purple. This is the form which

tarnished that reputation,

a hait with large pink-and-

damp at busy seasons.

bad about imprisoning

provenance.

camera from underneath a friendly gorilla in the wild. A new series of Chronicle opens with Roy Davies' pro-mme, "The Man Behind The Mask." Archeology's greatest mystery is how the profession itself ever acquired an image of dusty academicism, except by simple association with the sand from which so many treasures are dug. The more one hears about archaeologists, the clearer it becomes that the calling attracts an extraordinary number of crooks, charlatans and liars. Tonight's programme promises hair-raising revelations about one of the fathers of modern archaeology, Heinrich Schliemann, the man credited with seminal discoveries at Troy and Mycenae.

TELEVISION

55 Rolf Harris Cartoon Time (London and the South Past) M.A.S.H. sees the officers of the 4077th obliged to become saloun-keepers. In Episode 2 of The Bell, plans are laid for the installation of the abbey's new bell.

BBC 2

10.20 am Gharbar. 11.00 Play School. 12.30-1.20 pm Open University. 2.55 Landscapes of England. 4.20 Images of War.

4.40 Tigris.
5.30 They're Playing My Tune.
†5.40 Undersea Kingdom. 6.00 Life on Earth.

6.55 The Water Margin. 7.40 News Summary. -7.45 The Happy Prince.

810 Chronicle. 9:00 M*A*S*H. 9.25 The Bell.

10.20 Grapevine. 10.50-IL40 Newsnight.

9.30 am Schools Programmes. 12.00 The Munch Bunch. 12.10 pm Rainbow, 12-30 Play it Again. 1.00 News, plus FT Index, 1.20 Thames News with Robin Houston, 1.30 Take the High Houston. 1.30 Take the High Road. 2.00 After Noon Plus presented by Mary Parkinson and Kay Avila. 2.45 The Six Mil-lion Dollar Man. 3.45 About Britain. 4.15 Dangermouse. 4.20 Madabout. 4.45 Arthur of the Britons. 5.15 Mr Merlin.

News 6.00 Thames Andrew Gardner and Rita 6.25 Help! with Viv Taylor

Gee. 6.35 Crossroads. 7.00 This is Your Life.

7.30 Coronation Street. 8.00 London Night Out: Tom
O'Connor is joined by
Cleo Laine and John
Dankworth, the Hollies,
Roy Walker and the Geoff Richer Dancers. 9.00 Minder starring Dennis

Waterman and 10.00 News. 10.30 "Go Tell the Spartans,"

starring Burt Lancaster, Craig Wasson Jonathan Goldsmith. 12.40 am Close: Sit Up and

Listen with Jack Jones. † Indicates programme in black and white

All IRA Regions as London except a the following times:

including

...... ANGLIA 1.20 nm anglis News. 2.45 Trapper John: 5.3 Happy Days. 6.00 About Anglis. 7.40 am The Big Question. BORDER

1.20 ps Border News. 2.45 The Anne Rook 5.16 Out of Town. 5.00 Lookarged Wednesday. 12.40 am

CENTRAL 1.20 ps Central News, 2.45 Hagen, 5.15 Diff pst Strokes, 6.00 Crossroads, 6.25 Carral News, 12.40 am Portrait of a Leond (Frankia Valli and the Four Secons).

CHANNEL 120 c Channel Lunchtime News. What's in Where and Weather. 2.45 Trapperioan. 5.20 Crossroads. 6.00

GRAMPIAN 9.25 am First Thing. 1.20 pm North News. 2.45 Trapper John. 5.15 Private Benjamin. 6.00 North Tonight.

GRANADA

1.20 pm Granada Reports: 2.00 Live from Two: 2.45 The Ante Room. 5.15 Private Benjamin. 6.00 Granada Reports. 6.25 This is Your Right.

HTV 1.20 pm HTV News. 2.45 Bracken.
4.45 Sport Billy. 5.10 Ask Oscarl
5.20 Crosroads. 6.00 HTV News. 6.30
Supersur Profile. 10.28 HTV News.
HTV CYMENUWALES—As HTV WEST
except: 12.00-12.10 pm Ffalabatam. 4.15

Channel Report. 6.30 Bailey's Bird. Y Rheilffordd Gudd. 4.45 Our Incredible 10.28 Channel Late News. 12.40 am World. 5.10-5.20 Dick Tracy... 5.00 Y Epilogue followed by News and Weather Dydd. 6.15-6.30 Report Wales.

SCOTTISH 1.20 pm News and Road and Weather. 1.30 A Full Life—John Osborne. 2.45 Love Bost. 5.15. Pet Subject. 5.20 Crossroads. 6.60 Scotland Today. 6.20 Action Line. 6.30 Weir's Way. 12.40

Action Line. 6.30 Weir's Way.

1.20 pm TSW News Headlines. 2.45 Trapper John, 5.75 Gus Honeybun's Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Scane South West/A Day in the Life. 10.32 TSW Late News. 12.40 am Postscript. 12.45

1.20 pm TVS News. 2.45 The Ante Room. 5.15 Watch This Space . . .

5.30 Coest to Coast. 6.00 Coast to Coast (continued). 12.40 am Company.

TYNE TEES 9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News. 1.25 Where the Jobs Are. 2.45 The Love Bozt. 5.15 Mork and Mindy. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 10.30 North East News. 12.40 am Travelling.

ULSTER

1.20 pm Lunchtime. 2.45 The New Avengers. 4.13 Uister News. 5.15 Hear Here. 5.30 Good Evening Uister. 6.00 Good Evening Uister. 10.29 Uister Weather. 12.40 am Bedtime.

YORKSHIRE 1.20 pm, Calendar News. 2.45 Trapper shn. 5.15 Private Benjamin. 6.00 alandar (Emley Moor and Belmont litings)

Stemophonic broader: * Madium Wave only

TIPLITU 1

Special As Regio 2. 7.00 Mike Gloris Humilford. The Brien Matthew with Round Midnight. 1.00 am Truckers with Round Midnight. 1.00 am Truckers Assay 2.00 per Paul Burnett. (5). 2.80-5.00. You and the Mission Wight. 5.00 Peter Powell. All Might and the Music (5).

10.00-12.00 John Paul (5).

RADIO 2

500 am. Stava Jonés (5). 17.30
Si. 12.00 Gloria Humniford (S). 2.00 Meyers (S). 12.00 Gloria Humniford (S). 2.00 Meyers (S). 12.00 Gloria Humniford (S). 2.00 Meyers (S). 10.00 David (S). 5.65 News, Sport, 8.00 might peino racital (S). 11.00 Enesco: Octat feet (S). 10.00 Meyers (S). 10.00 Enesco: Octat for attings, Do. 7 (S). 11.45 Repert (S). 10.00 pm News. 1.05 Concert Hall (S). 2.00 Missic (S). 15.00 pm News. 1.05 Concert Hall (S). 1.00 pm

- :--

RADIO

tor Pleasure (S). 7.00 Chopin, plans recital (S)., 7.30 Rupert Fot recital (S). 7.30 Rupert Foundation
Conductors' Awards: The Final from
the Fairfield Halls, Croydon, Part 1:
Mazart (conducted by the finalists) (S).
8.30 Six Continents: 8.50 Rupert
Foundation Conductors' Awards: Part
2: Sibelius (conductors' Awards: Part
1: Sibelius (conductors' the Awards (S).
9.40 Music in our Time (S). 11.00
News. 11.05-11.15 The Dream of Gunnar
by Nielson (S).

RADIO 4 6.00 am News Briefing, 6.10 Farming Today, 6.25 Shipping Forecast, 6.30 Today, 8.35 Yestsrday in Parfiament, 9.00 News, 9.05 Midweek: Henry

Kelly Goes West. 10.00 News. 10.02
Gardeners' Question Time. 10.30 Daily
Service. 10.45 Morning Story. 11.00
News. 11.05 Baker's Dozen. 12.00
News. 12.02 pm You and Yours. 12.27
Around the Yorld in 25 Years with
Johnny Morris (S). 12.55 Weather,
programme news. 1.00 The World
at One. 1.40 The Archers. 1.55 Shipping Forecest. 2.00 News. 2.02
Wyongan's Hour. 3.00 News. 3.02
Afternoon Theatre (S). 3.50 Report
South V/est. 4.00 Elissheth Soderstrom
(S1. 4.45 Story Time. 5.00 PM:
News Magazine. 5.50 Shipping Forecest. 5.65 Waather, programma news.
6.00 News. 6.30 My Word! (S). 7.00
News. 7.20 Checkpoint. 7.45 Origins.
In Search of "Tristan." 8.75 A Cornish
Evening. 8.45 File on 4, 9.30 Kaleidoscope. 9.58 Weather. 10.00 The World
Tonight. 10.30 Quote. ... Unquote (S).
11.00 A Book at Bedtime. 11.15 The
Financial World Tonight. 11.30 Today
in Parliament. 12.00 News.

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FT COMMERCIAL LAW REPORTS

No mineral rights in oil and gas under seabed

EARL OF LONSDALE V HM ATTORNEY-GENERAL Chancery Division: Mr Justice Slade: January 15 1982

THE PHRASE "mines and minerals" in a conveyance shall be interpreted in the context of the conveyance and in the same sense as it would have been understood when the conveyance was made; and where it is clear from such interpretation that the phrase was intended to include only solid substances capable of being mined, it shall not be construed as including oil and natural gas.

Crown, by a conveyance of 1880, granted to the plaintiff's pre-

decessors in title its interest in specified mineral substances

land forming part of the seabed adjacent to the Cumbrian coast,

In 1969 the Crown purported

to grant an oil company a licence

Mr Justice Slade so held when dismissing an action by the plaintiff, the seventh Earl of Lonsdale, against the Crown, by which he sought a declaration that he owned oil and natural gas under part of the seabed off the Cumbrian coast. HIS LORDSHIP said that the

remember my relief at escaping east to the orchids of Japanese forests and marshes, flowers which are simpler and almost hardy and far more manageable in an ordinary gardener's home. They have suffered from being small, ignored by breeders and florists and caught between the bothouse and the open garden. Neither suits them, but a well-watered life in a peaty pot ought to help them need next to no heat, and usually no lime.

won the RHS's top awards, and began to be pushed as a hardy weirdly-scented cremastra: so plant. While 1982 may have far, these are pretty names. usually compounded by second Christian's have single-nosed names of Japanese in Latin stock at £3.50 each, and I disguise. Buy them and try cannot think of a better plant them, if you can find them, for for individual care on a desk or think that here lie our children's new area of plants perfection in unheated These rarities come and go homes

natural gas. He sought a declaration that the ownership of any oil and natural gas in or under the relevant areas, down to the bottom of the coal measures, was vested in him as tenant for

ceedings.

The Crown contended that oil and natural gas were a fluid and a gas respectively which flowed or permeated and were not mined. In 1880, at the time of the conveyance, neither would have been regarded as a mineral

substance, and the conveyance,

on its true construction, did not

convey an interest in oil or natural gas. first was that, in construing any commercial document a court in thought in the same factual background as the parties were

way in which commercial men would have interpreted them in 1880 in relation to the present kind of commercial transaction.

The second principle was that, contrary to the ordinary rule applicable to grants by a subject, grants by the Crown usually fell to be construed in the manner most favourable to the grantor. The third principle was that if a particular word employed in a

written instrument bore an "ordinary sense," the burden of displacing that ordinary sense would fall on any person who sought to assert that in a particular context the word did not bear such a meaning. The evidence clearly indicated

that, in 1880, the potential com-mercial importance and value of gas in England or in the adjacent seabed, were not nearly so fully appreciated as they were today.

specified mineral substances Nevertheless, the mere fact within or under certain tracts of that the parties to the conland forming part of the seabed veyance might not have adjacent to the Cumbrian coast, specifically directed their minds and "all other mines and minerals (if any) down to the bottom of the coal measures in and under the same tracts of land." to oil and natural gas would not necessarily have prevented them from passing to the grantees. If the grant of "all other mines and minerals" on its true construction included oil and natural gas, those items would have passed even though the parties might not have thought about them at all.

to search and bore for oil and natural gas in a tract of the Irish Sea and adjoining land which fell within the relevant After investigating some of area. That licence had since been surrendered, but its grant gave rise to the present prothe many conflicting authorities relating to grants or reservations of mines and minerals, his Lordship concluded that " mines and The plaintiff contended that minerals" was not a definite term, but was capable of bearmines and minerals" in the conveyance included oil and ing a wide variety of meanings. Unless the meaning was clear from the instrument itself, the first duty of the court was to ascertain what the phrase meant in the vernacular of the mining world, the commercial world and landowners, at the time of the

> The evidence as to vernacular usage was quite inconclusive and the court had to fall back on the wording of the documents themselves, read in the light of the surrounding circumstances with the aid of dictionary definitions. Five crucial points emerged. 1—" Mines and minerals" in

the context of the conveyance

was manifestly not intended to Three general principles of include substances which could construction were relevant. The only be worked by drilling or boring. It was intended to include only substances which must do its best to place itself could be won by means of underground works beginning on the adjacent lands of the at the time when they entered grantee.
into the transaction. Thus, the relevant words of the conveynot and never had been capable

than most is the nine-year-old

ance should be construed in the of being extracted from the way in which commercial men earth on a commercial basis by means of underground mining, whether by tunnels or excavation. The available methods of extraction were either by drill-ing, or, in the case of oil, by a shaft dug from the surface.

3—In the conveyance, "other mines and minerals" closely followed a reference to "coal culm, ironstone and fire-ciay," all of which were solid substances capable of being won by means of underground works beginning on the adjacent lands of the grantee followed by digging. The proper inference seemed to be that "minerals" was used in the sense of solid substances belonging to that category.

4-The Crown, in the conveyance, reserved "walls or barriers of the said mines, minerals ... on every vein seam or bed thereof." The terms "veins" and "seams" did not seem appropriate to fugacious substances such as gas and petroleum. It was reasonably plain that the Crown contemplated that the barriers would be notional barriers in solid as opposed to gaseous or liquid substances.

5-It could be inferred from the evidence that the parties, in 1880, never intended that rights to extract oil and natural gas should pass to the grantee. At

that date neither category of rights would have been regarded as having any use or commercial value by persons dealing with the sale of minerals in the relevant area of Cumberland. and indeed, the existence of gas would have been regarded as a

dangerous nuisance.
Those five points made it reasonably plain that in the context of the 1880 conveyance, "mines and minerals" was not intended to include anything except solid substances capable of being dug out of the earth by means of a mine, and in particular, was not infended to include oil and natural gas.

Alternatively, the five points, at the very least, established that "mines and minerals" had no definite meaning, in which case the words must be construed in the manner most favourable to the grantor in accordance with the principle applicable to grants by the

Indement for the Crown. For the plaintiff: Donald Rattee QC and Roger Horne (Gregory, Rowcliffe & Co., agents for Dickinson, Dees, Newcastle upon Tyne). For the Crown: Leonard Brom-ley QC and John Mummery (Treasury Solicitor).

> By Rachel Davies Barrister

RACING

BY DOMINIC WIGAN

AFTER ANOTHER interruption of the National Hunt programme, occasioned by yesterday's abandonment of the Sedgefield and Worcester meetings, racing resumes at Folkestone The ground will be as hold-

ing as an seen this winter on the Kent track. For this reason backers will do well to ignore all but proven mudlarks. In the afternoon's principal event, the Hurst Green Handicap Chase, few if any contenders can be ruled out because of the state of the ground.

In one or two other events, however, there are on that score question-marks against several respectable performers.

A chaser sure to cope with the under-foot conditions better

A useful winner over hurdles in the 1979-80 campaign, this former inmate of Padge Berry's County Wexford stable ran extremely well for a 66-1 chance until lack of fitness told in Cheltenham's Colt Car Platinum Novices Chase won by Realt Na Nona on New Year's Eve.

Not seen out since that effort his first of the season— Fabulous may well prove capable of springing a surprise in the Brede Novices Chase.

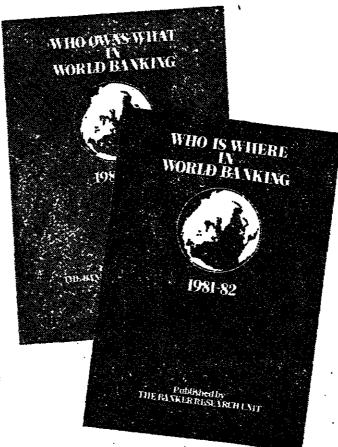
Tragus did the trick for David Morley and Bob Davies in last year's Hurst Green Chase. They must be hopeful that Falkland Palace can provide the answer this time. The 21-lengths Huntingdon conqueror of Happy Hector, this time a year ago. Falkland Palace ran well before retiring in a two-mile event at Warwick in November.

FOLKESTONE

1.15-Mons Beau* 2.15-Indiana Dare

2.45-Falkland Palace** 3.15—Fabulous***

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EDITED BY CHRISTOPHER LORENZ

THE MANAGEMENT PAGE

Why a buyout is just the ticket

A Plessey subsidiary is breaking away to produce an instant billing machine. Ian Rodger reports

of Scotland have been receiving their electricity bills within seconds of having the meter

That may not be very exciting for the resident but it offers considerable cost savings to the South of Scotland Electricity Board, plus a significant potential improvement in cash

The machine that performs this useful service was invented by Tony Goodfellow, a former computer salesman with ICL, who in 1976 took his idea to Plessey, the electronics group, for development.

Plessey has supported the project ever since, backed up by a £345,000 advance from the Electricity Council in 1978. By last year it had become more likely that the portable billing machine (PBM) had a commercial future when the SSEB placed an order for 250, of which eight are already in

But such is the rigour of Plessey's recent strategic review of priorities that it has decided accept a £1.15m bid from Goodfellow and his associates to buy back the rights to the billing machine system. And they turn are planning to float eir company Immediate

this month.

"The project was just not quite in line with our view of our business," says Derek Mays, assistant finance director of Plessey. "It is a good little product and Mr Goodfellow has

Marginal

Plessey has been working hard in the past two years at pruning its product line and gerting rid of loss-making operations, such as Garrands. Mays agrees that bringing the billing machine into production would not require a lot of capital but Plessey was also concerned about allocating its scarce resources of management and technological skills on something that was marginal in

its overall business. "At some point," says Mays "you have to make a decision." He says the £1.15m proceeds from the sale will only cover Plessey's incremental spending

on the project. Goodfellow says he suspected that Plessey's heart wasn't in it. "They do large projects. They are not interested in selling standard products. In 1978, they were not interested in

along at the instigation of the nology.'
SSER."

Sensing Plessey's continued lack of interest last year, Good-fellow approached two of the group's directors with a view to buying back the project. By September, he had formal ap-proval and the deal was finally

Over the next six months, production of the PBM will be moved from Plessey's factory at Towcester to Milton Keynes. Of the 39 people working on the project, 35 will be transferred. Immediate Business Systems expects to take on another 20 staff later in the year and raise production to about 65 machines

The ultimate potential of the public utility market in the UK is believed to be about 3,600 units and in the U.S., where a sales operation is being set up. 20,000. But Goodfellow sees numerous other likely applications of the machine, such as in the issuing of parking tickets, invoicing of wholesale deliveries and stock control.

Goodfellow developed the idea for the billing machine in the early 1970s before the technology for it was available. " I was selling ICL computers to utilities and it struck me that they were going about their bil-

FOR THE past 18 months, Business Systems, on the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretisents in the Greenock area Unlisted Securities Market, later so the Electricity Council came and waited for the technique to the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretised in the Greenock area. Unlisted Securities Market, later so the Electricity Council came and waited for the technique to the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretised for the technique to the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretised for the technique to the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretised for the technique to the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretised for the technique to the putting more money into it and ling the wrong way. So I sat with a reading it prints out a batteries were only half discretised for the technique to the putting more money into it and ling the wrong way.

The main requirements were its small size and light weight, and bubble memory, which preserves data even if the batteries on the portable unit fail. Goodfellow also designed a highly compact printer that would churn out bills that are readable by optical character recognition equipment and 2 tiny paper cassette that would

meter readings and billings. In total, the IBS system con-sists of an office mini computer that carries all the relevant data on customer accounts plus number of PBMs.

retain a back-up record of all

In a typical operational sequence, the local supervisor prepares the meter readers' rounds on the office computer a day in advance. In the evening the billing machines, which have probably been out on rounds, are loaded with for the next day's rounds their batteries recharged and The keyboard display on the machine guides the meter reader to addresses, reveals the name of the customer, the location of the meter and even warns if there is a dangerous dog on the premises.

The reading is then made and

entered into the PBM. If the reading is implausible, the machine will require it to be "The most common error in readings is in the most significant digit," says John Lardner, chief commercial Lardner, chief co officer of the SSEB. the figure for the ten thousands. So this machine customer complaints." reduces

Once the PBM is satisfied

customer is not at home, it will produce a bill based on an estimated reading.

At the end of the day, the PBM is plugged back into the officer computer, delivers the day's results to it and loads up with a fresh round for the following day.

IBS seils the billing machine for about £4,500 and the office computer to go with it for £25,800. It also charges a licence fee for the use of its programmes. The SSEB has been using the system for billing some 35,000 of its 1.5m con-sumers but Lardner says it is difficult to isolate what cost

Blister

"The day we introduced the system, we had 50 bills paid by kunchtime but so far it hasn't made much of a blister on costs. However, we expect significant

"We believe we will get a payback on the system in less than two years, and every time the Post Office puts up its mail-ing charges, it looks better." He warned, however, that the system would only pay its way if meter readers, who issue at least 150 bills a day, were fainly efficient.

He says the machine has gone through a number of refine-ments over the 18-month test period and now "has everything we want built into it." The most serious problem during the test occurred with the bat-tries. "We found that if the recharge, so the readers were running out of power after 120 calls. Now we discharge the batteries completely before recharging them."

At least three other manufacturers-none of them Britishare making machines similar to the PBM but, as in the case of IBS deliveries are only just beginning. Goodfellow believes his is the most advanced, combining bubble memory, printer and the advantage of being lightweight (5 kg). IBS raised £99,000 last

October through a private placing of shares to investigate the possibility of buying back the business from Plessey. Later this month, brokers Margetts and Addenbrook, East, Newton intend to raise another £2.9m in a public placing of about 60 per cent of the equity capital. After paying Plessey, the group intends to pur £1m towards working capital in the UK and a further £500,000 towards U.S. working capital.
IBS is not making a profit

forecast but it indicates that it will make a trading loss in its first year of operation. The directors believe the business will break even if at least 450 PBMs and 40 office computers a year are sold.
The group's strategy is to

continue to improve the billing machine and to seek other applications for the system that sup-ports it. Of the staff of 35, 18 have technical qualifications and nine spend all their time on research and development.

"We're a systems house really," says Goodfellow. "And all we have at the moment is one application."



Having taken his idea for a portable billing machine to Plessey five years ago Tony Goodfellow has low bught back the rights to the system. As well as exploiting the home market, he plans a sizable push into the U.S. One UK customer, the South of Scotland Electricity Bord, is already using his machines to issue bills imbediately after meters have been read

repeatedly

Houdstor for a stat

forthcoming. We wa

affairs and this bas at been

BOARDROOM BALLADS

RAGS TO TATERS

When James D. Flaherty O'Rourke Come from Dublin to New York. And peddled round his hot potatoes, Few financial commentators Forecast he was on the brink of World-Wide Hot Potatoes Inc. Founding his global enterprise on Chirpy Chips and Handy Fries-But such are the bizarre gestations. Of multinational corporations.

And having made the humble spud Synonymous with motherhood, And "Chips with Everything" the toos Of every home from coast to coast, He felt that he should not deny The culture of the Handy Fry To less sophisticated clients, Untutored in potato science; And ripe on Wall Street's best assessment, For World-Wide's overseas investment.

So soon the Hot Potatas logo Flew from Zanzibar to Togo. With worldwide quality control By satellite across the Pole; Linking Chirpy Chip plantations And process plants in fifty nations Including, after tense discussions. A licence granted to the Russians.

The Tigris, Nile and Orinoco To propogation of the tuber,

As were tobacco farms in Cuba, On the quaranteed assumption Of escalating world consumption; Till all the leading indicators Were based on futures in potatoes, With James the undisputed King Of the carbohydrate ring: . While Opec in distress reviewed .The synthesis of starch from crude.

Wall Street analysts foretold A flight from copper, zinc and gold. And White House strategists demanded Return to the Potato Standard. Friedman joined the advocators Of tight control of seed potatoes; And Downing Street was quick to see Manipulation of P3 As the relevant equation For final conquest of inflation.

But James mas been to leave decisions On politics to politicians, And moved with great reluctance to Subvert a government or two, Executives of Hot-Potatas. Irrespective of their status And the colour of their skins, Daily disarou their sms. Renewing ouths to Handy Pries, To multinational enterprise, And James O'Rourke's financial plan For global brotherhood of man. Bertie Ramsbottom

Next week: The young executive

BUSINESS PROBLEMS

No golden handshake

We are a small manufacturing business and over the years have built up a substantial cash balance on which corporation tax has been paid. Two of the four directors wish to retire. Could we release this money in the form of a severance payment er golden handshake and would such payments be free of tax?

You have facts to work on, but the answer is almost certainly no. After County Court (or High Court if the directors in question have actually resigned, we suggest £5.000).

that you discuss the possibility of ex-gratia payments with the company's accountants, since they know the full background facts as well as the law and Inland Revenue practice. The prospects are dim; if the matter were broached while the directors in question are still on the board, the prospects would. be

Covenant for repairs

According to the terms of his lease a tenant of mine is responsible for internal decoration, but refuses to carry it out. How can I make

You can enforce a repairing covenant by action in the the cost of repairs exceeds

Estate agents' commission

We had agreed with a firm of estate agents that we would pay them 10 per cent commission on the annual rent of office premises if they found us such premises. It was expressly agreed that such premises should have telephone and telex systems installed and fully operative. Unknown to us and probably unknown to the estate agents also, the telephone system was not operative when we moved in. We applied to British Telecom, paid the necessary installation charges. and a week after we moved in the telephones were installed. Do you think we should pay the estate agen their full commission, or half (because the telex was

tem was installed when you took the premises. However, you might be able to negotiate a reduction in the commission by the amount which you have incurred for installation charges, or some figure based on that cost A dilatory

As it was incumbent on you

to check that there was a tele-

phone system which was fully

operative we very much doubt

if you could escape liability to pay the full commission, especially if no telephone sys-

liquidator. I am a shareholder in rivate company which was put lute share holders voluntary liquidation. Together with one of my shareholders.

company. Neither of us are working directors. We have

that meetings should within a 12-month pe-both creditor and waiting nearly two year the Equidator has pronot even one piece of p What action should we t Your best course would to petition for the company winding up of the company after notifying the liquidato of your intention to take at course there is sell no moved

ii aa≓ na a

dailon. Section 30 of the Copanies Act 1918 chaples you take that count. No legal responsibility accepted by the Fpancial Time control 50 per cent of the columns. All inquires will be company. Neither of us are chartered by post as room

1982: and the Britishare still victims of false

The British people atwork. Probably the country's greatest.

Energy that constantly needs replacing, especially in these days when contracts are harder to get, and products need intense

Unfortunately, many staff restaurants are feeding employees on false economies. The value and importance of good food and a pleasant eating environmentare forgotten in favour of keeping costs to a minimum.

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Grandmet Catering Services. High in goodness, tough on hygiene.

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Company	
Address	<u> </u>
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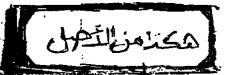
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FINANCIAL TIMES SURVEY

Wednesday January 20, 1982



Radio: need for marketing

Regional TV: a stronger accent

FUTURE OF: DENTIBROADCASTING

The advert of breakfast television and a fourth channel, reshuffling of the TV companies and growth of local radio stations are among the many profound changes currently affecting the independent British broadcasting industry, which has yet to meet the challenge of cable and direct satellite transmissions.

TO SAY his 1882 and its degree of financial nervousness immediate excessive years will be industry, which is process it a deeply destructive one, even though at the end of it, the hope that a strengthened it, the hope that a strengthened system at its present stage of it, the hope that a strengthened system at its present stage of it, the hope that a strengthened system at its present stage of it, the hope that a strengthened system at its present stage of it, the hope that a strengthened system at its present stage of development."

By gengal consent the UK the does an argument over the passing the strength of the confidence of programmes and dangers and, above in the sention from the present stage of it, the hope that a strengthened system at its present stage of development."

For anyone with a long memory the sound of a senior into a greater regional dentity—notably in the South memory the sound of a senior into a greater regional dentity—notably in the Court of the confidence of programmes makers uncertain of their numbers of the confidence of programmes in the con had we are so proud is any in the midst of a

Not a painless revolution Interndent television this year is new faces, new companier is about to produce a new campel and next year will offert breakfast service—perhapmeaten to the draw by the REC New radio stations are openg at a considerable pace and hovering in the wings, AM onto British screens. It is calificientian systems promise possible that the BBC will try to sust from their present to steal the Jay thunder existmental restrictions and between now and then—it has for a new arm of commercially after all rather more money in opated broadcasting. Meanits pocket now and will soon e the industry awaits the have a new director generalfit direct broadcasting satelbut it is on ITV's efforts in this

the ITV system enters this focus. nw phase in its life, if not as paperous as it would like to L certainly more prosperous down of the new order. Review-in it feared it might be. ing the events of the past year dwertising has remained relator so, and looking into the new buoyant and ITV is now future, Mr Colin Shaw, the wely buoyant and ITV is now unging towards the £600m Authority's director of tele-vision, admits that the rehreshold. Fears of financial alamity particularly thanks to organisation of ITV has been a disturbing process. he reorganisation of initial Nobody who has lived it easy as far as the introduction through that experience (the of new services are concerned. inancing for the Fourth

Nevertheless there is still a choosing of the new franchise

steal the Jay thunder

area that attention will really

Meanwhile the immediate

problem for ITV is the settling

Broadcasting

Independent

BY ARTHUR SANDLES

We need it not merely to secure

quality on ITV, the first channel. We need it to sustain

Channel Four, the second

channel, at the end of 1982 and

in the long run-up to the

launching date before that. We

need it to provide a sound foundation for the breakfast time service which, under a

16th company, ITV will launch

Mr Shaw reckons that all that

is quite enough without having

new sources of programming

arriving on the scene in the form of cable or satellite

systems. Both the IBA and the

ITV companies themselves want

the British government to take

"The companies share the

few years to restore confidence. decade ago, along with the first

steps in the creation of the com-

mercial local radio system in

the UK. Since those early days,

ture, which was once more

identified with Sunday Night at

the London Palladium than with

cultural projects, now wears

Brideshead Revisited as a

The argument now really

reach nationwide

centres around whether ITV has

seen its golden years (ILR has

maturity) or whether the recent

Whatever the thinking behind

something new and wonderful.

the process the real test is

whether or not the new system

a creative crown.

to

Perhaps the saddest thing about the two-year birth pangs of ITV as it has been restruc-tured for the 1980s is that few people involved seem to have gained much joy from the

The IBA itself can hardly look back with delight on either the allocation process or the tidying up that came afterwards. And yet no one seems to have come up with the much sought, acceptable "other way."

Even with the promised boom including a faltering start in new television services Sir followed by the "licence to print Brian Young, IBA director money " period, the system has general, believes we may matured considerably. A venhave to go through it all again.

"I think the 1990s will still limited number of ITV companies, even though the franchises will be less attractive when there is competition from cable and satellite and reengineered VHF. If the franchises are still desired and there are more contenders than changes were really the start ofthere can be contract holders, then a process something like the 1980 franchise affair will have to happen again."

It is a daunting thought.

Breakfast TV: TV-AM's Peter Jay Future: technical developments Debate over Welsh service Channel Four: great expectations Editorial production by Catherine Darby

CONTENTS

The empire strikes out

IF THE past 18 months have only to Government — and not retained in a relatively few demonstrated anything in eagerly answerable even there hands. British television it is the power that resides within the Independent Broadcasting Authority, and the willingness of that authority to flex its muscles.

Companies: a rosy future

Advertising: boost in revenue

To the average viewer the success or failure of ITV in the 1980s may seem to rest on the abilities of the programme companies; but it is the IBA which. now more than ever in the past, controls the fortunes of the system. It has imposed its will on everything from shareholdings to programme scheduling.

It continues to do this in the name of protecting the public from the evils of raw commer-Policing by cialism. authority is the price both radio and television companies pay see two main UHF channels in for the privilege of holding a the particular hands of a monopoly of broadcasting advertising within the UK. It is, however, a price that some find irksome and one which some companies feel the IBA is now over-zealous in extracting.

The role of the IBA, the product of another great British compromise between unfettered competition and tight state control, is rather different from that of the BBC. While the Corporation controls all aspects of its activity and is answerable

—the Authority acts more, as ground-based admiral whose fleet is highly independent and often capricious. The authority itself owns the ITV/ILR transmitters and decides who the broadcasting companies will be.

Via its selection process and regular monitoring of pro-gramme content and standards the IBA has a strong influence

on what is actually seen but, unlike the BBC, it is not itself a programme maker.

Most recently the aspect of the IBA's activities which has been foremost in the financial columns has been its attitudes towards the structures of the companies under its charge. Its determination, come what may, to have the final say in who owns the companies which operate its franchises has meant that it normally insists on the voting stock ownership being

It would take a great deal to sway the IBA away from this policy completely, although the recent moves with Television South West have indicated that it is willing to accept a full enfranchisement of shares under certain terms.

Events at Westward Television and ACC seem to have convinced the members of the Authority that there are disadvantages as well as advantages to absolute adherence to the original policy.

Persistent enquirers to the Authority on this point are likely to be told that it con-tinues to wish to retain the power to prevent changes in the control of the parents. "This wish applies whether or not the parents' activities are extensive outside television and its related fields."

And, says the IBA, "the reason for this policy can be simply stated.

"A television contract is an important public property, to be granted only on the basis of IBA consideration of competing applications (where there is more than one contending

> CONTINUED ON NEXT PAGE

Channel Four is the most exciting new advertising opportunity for 25 years. And in London, during the week, it's marketed by Thames Television.

The low unit cost will mean that advertisers can easily take advantage of the massive London market through the powerful medium of television.

It also allows advertising budgets to be spread overlonger periods rather than risking everything in a single burst.

These are factors that will interest anyone who would like to promote his products or services on television.

Our special sales division Thames Task Force is our Channel Four new business spearhead. Contact them on 01-581 2622.

Thames Television will help you get the most out of Channel Four



Financial thorns in a rosy future

It would not be an exaggeration to say that the last round of contract allocations in ITV left a nasty taste in the mouth of most of those involved—except, of course, those who found themselves brought from the touchline into the main game. It provoked one of those quotations that hang around the neck of those who make them for years afterwards: "There must be a better way," said incoming IBA chairman Lord

Since that public sigh of con-cern, if not despair, the Authority seems to have returned to the view that any better way is extremely difficult to find.

"One thing is certain." Sir Brian Young, IBA director-general, told the Royal Telerision Society conference in Cambridge a few months ago, whatever we do, we do not please everyone, but will be accused either of being too cosy with our friends and too unwilling to have a radical rethink, or of being too rashly swayed by unrealistic ideas and promises that can-not be fulfilled."

The ITV company system is based on 15 contractors currently offering services in 14 chise holders: Thames and Obviously sales teams will vary London Weekend. Two addiin their ability to sell this

the total soon: Channel Four, operating nationwide and on also nationwide but using the frequencies of the present contractors for its morning Mainstream ITV-1 services into

the 1980s will continue to be dominated by the "network" stations. These five com-panies — Thames, LWT. Granada, Central and Yorkshire—have the task, and perhaps the burden, of providing the bulk of networked material, this is programmes which are shown throughout the system. Quite apart from the behaviour

of the advertising market, probably the biggest single impact on the fortunes of the companies over the next few years is likely to be the performance of the Fourth Channel In overall terms the portents are favourable. The general consensus is that the channel will still be operating at a loss in 1983 but that this loss will be at an aceptable

the channel However. financed by subscriptions from the companies, which then have to recoup their expenditure by the sale of

advertising space.

show considerable regional differences. Assuming Chan-nel Four to be nearer BBC-2 in content than ITV-1 (an assumption which Mr Jeremy Isaacs might hothy dispute) it will do markedly better in London, the South and East Anglia than in the traditional ITV high-viewing areas of Yorkshire, the Borders and

Northern Ireland. is the local relationship between sales and costs which are of crucial significance to individual companies rather than the overall picture—no matter how rosy that picture may be.

There was considerable market nervousness about the pros-pects for television companies until the IBA softened its approach to the financing of Channel Four. Subscriptions to the new operation were cut from a feared £124m (including £20m for the Welsh service) to £49m, less even than the £60m to £80m that had been mooted by the IBA

The IBA may be fussy in the extreme when it mothers its charges but it is also keen to ensure that no one gets into really deep financial trouble. Even if they do it will bend over backwards to help out. Thus a company 1980) will get short shrift but where the fault lies outside the company's power of action it will step in

economic circumstances swing against the system as a whole, or one company in particular, shareholders, even non-voting ones, can expect Lord Thomson and his team to come to their help. No one is going to get a licence to print money anymore, but neither is anyone going to be driven to the wall if the IBA can help it.

Television companies are increasingly hemmed in by the IBA's lack of enthusiasm for diversification. The Authority does not want to see management eyes taken off the main ball of making TV pro-While companies have argued

that diversification can see a TV company through lean years, the IBA has argued that the reverse flow is also possible and not, in its view, necessarily desirable. companies are no longer expected to say that they are in for the money, they are instead asked to make a modest return in exchange for the privilege of broad-

casting.

If you really want to see the air turn blue over the roof of the IBA's headquarters,

opposite Harrods in London's Brompton Road, then suggest that its approach to the companies is amateurish and lacking in basic City skills. Obviously you can debate end-

lessly (in the wake of the reshuffle) whether we got the right balance, between giving the public the service it ought to have and enabling the ITV companies still to attract the investment they need." Sir Brian Young told the Royal Television Society conference in Cambridge last autumn. "But there was nothing slapdash or amateur about the attempt to get the

right balance." Sir Brian and his chairman. Lord Thomson, are normally the most sanguine of executives. This particular aspect of criticism seems, however to touch a raw nerve. Both can grow quite waspish on the subject. Lord Thomson now points out to critics who said that the corporate structures suggested by the Authority for Central and Yorkshire, in particular, could not work have been proved wrong. Says Sir Brian: "Members of the Authority do have finan-

cial advice, they do include people with a range of finan-cial experience. If they decided on what seemed to them an improvement in ITV's service, even at some

risk to profitability, then the decision was not taken with-out a clear understanding of what was being done."

The task of the IBA and the companies over the next few years is to prove these sentiments to be accurate ones. They depend on factors other than the attitude of the IBA. of course. The continued buoyancy of advertising is one of these and the ability to the industry to control its costs is another. The settlement of the lengthy

pre-Christmas 1980 dispute was a hugely expensive one for the companies and they are now desperately trying to claw back their positions. Television, like other communications businesses, is being flooded with new technology and, even in something as relatively new as TV, there is considerable resistance to rethinking on methods and

Nonetheless the fortunes of ITV generally, and therefore of the companies involved in it. look rosier than in many other fields of consumer pro duct activity. Even if the lights of the British economy continue to show but dimly, the one that comes from the corner television set may be among the last to be hit.

manning levels.



New clients and a broader base boost television advertising revenue

TP WAS Lord Thomson who revenues jumped 53 per cent, said that possession of a UK to £529.3m. And in 1981, to commercial television franchise amounted to a licence to print money—a remark for which the moguls of ITV have never tinued unabated. forgiven him. He was right, of course-or nearly so-as a look at ITV's recent revenue growth makes clear.

In 1978, net advertising per cent up on October the revenue of the ITV companies previous year, at £67.02m. In (after ironing out agency commission and advertisers' discounts) was £363m. The following year it sagged a little. to £346.8m—solely a result of the damaging technicians' strike in the autumn of that

In 1980, bolstered by a first-

quote Carr Sebag's analyst, the "tremendous buoyancy" in television airtime demand con-

In a manner that conmost advertising funds flooded in. In October, revenues were 26.2 cent higher, at £71.88m, while to have been around 30 per cent higher, taking the total for the year to around \$610m, a gain of 15.3 per cent.

any case ITV's strongest.

In the view of Sebag's, as adjustment for the significant boost given to airtime demand in the first quarter of 1980 following the strike the previous previous year, at £67.02m. In autumn, there was still prob-November, they were 35.3 per ably an underlying rate of increase in ITV revenues last in December, they are thought year of virtually 20 per cent, to have been around 30 per easily outstripping inflation. The immediate outlook for

revenues looks rosy enough, particularly as it seems likely

*Thank Goodness It's Friday

time to sit down, relax, and take a lighthearted

look at the stories you would have enjoyed

this week if you hadn't been so busy working.

You will find them all in

from

A new programme for London ITV

6pm every Friday

more than that.

As for the medium-term view well as that of agencies like it could not be more bullish.
Young and Rubicam, after Both the Advertising Association and most major agencies are anticipating a surge in total advertising expenditure from the second half of this year. with the prospect of record display revenues (in real terms) in 1983.

Most pundits are forecasting gain in ITV revenues this year of 15 to 20 per cent, including a small contribution from the Fourth Channel. Says Sebag's: According to Sebag's, this the contractors will push their "Ignoring Channel Four, which was a far better performance advertising rates still higher in does not begin broadcasting half flood of money carried than expected at the start of the near future—rates rose by until November, we are forecast-over from the strike, ITV the year, the strength of last- an average of 20 per cent last ing net ITV-1 revenue growth

quarter demand being of par- autumn, although the actual of about 15 per cent in calendar ticular significance in that the revenue potential of ratecards 1982, to perhaps £700m, which October-December period is in was increased by considerably should reflect another useful rise in real terms."

> In addition to the recent relative buoyancy of display spend-ing generally, there are two main reasons for the contractors' current health and wealth. First, their success, in recent years, in broadening their revenue base. Second, though much more intangibly, the belief among certain analysts that television advertising is once again a high-fashion sales tool, advertisers having learnt, greatly to their cost, exactly what can happen to their sales figures if the screen in the living room

As for the broadening of its revenue base, ITV has enjoyed great success in luring in new clients, particularly in the financial, retail, auto and corporate

· Compare 1979 with 1975, for example, and one finds that the share of total ITV revenues accounted for by ables" (a category that includes packaged foods and drink) fell from 61.9 per cent to 54.1 per cent over the five-year period.

of revenue accounted for by durables rose from 15.8 per cent to 20.9 per cent, and there were gains in other categories. like financial and government its specialist potential. advertising, as well as the advertising of services.

ning to develop strongly on television," says Sebag's, "is

Relaxing corner suddenly goes dark, as it did on the commercial channel during the 1979 strike.

" consum-

On the other hand the share

direct response marketing (selling direct to the customer, as, for example, in giving a telephone number to ring) and with the amount of airtime available increasing significantly with the arrival of the Fourth Channel, the contractors must clearly take every opportunity to expand their client base further."

Indeed they are, the IBA hav-

ing said recently that it is to consider relaxing the rules governing financial advertising on television. Naturally, the IBA is anxious to smooth the path for the introduction late this year of Channel Four, but it is also responding to recept criticism that its code of adver- Yet the agency emphasises tising standards and practice is that before Channel Four can too tough in the financial area.

At rate-card costs, financial advertising amounted to £35m (3.1 per cent of the total) in got to find a way to reduce the 1980. That is encouraging," extraordinarily high cost of says the IBA, "but we believe producing television comthe Fourth Channel offers mercials. unique opportunities, because of . should we overlook the growth tropically lush) of independent local radio." The Fourth Channel (or

Channel Four, or ITV-2) could well prove a boon to advertisers many of whom are just realising Preliminary first-year revenue much nearer the top of the range than the lower. The Y&R agency, in particu-

lar, has analysed the marketing opportunities on Channel Four and concluded that advertisers most likely to benefit initially include advertisers with nationally-sold products and services, and budgets of between £400,000 and £1m (generally thought insufficient to produce adequate weight or continuity on ITV-1); national or semi national advertisers with budgets in the £150,000 to £400,000. range; and national or seminational users whose budgets exceed £1m but are concentrated exclusively on ITV-1 or in rival

example). be slotted into the plans of lowbudget advertisers, agencies and production companies have got to find a way to reduce the extraordinarily high cost of

media (print, or posters, for

British TV commercials are its specialist programming, to rightly famed for creative ex-promote financial services. Nor cellence and lush (sometimes production values. But with ' cost of a 30-second commercial now in excess of £30,000, and probably nearer advertisers are understandably

on the other hand, it cannot be said that ITV is not, at present, doing everything in its

"The area that is now begin-range from £90m to £130m power to promote its of pro-ng to develop strongly on (net) but, in the view of some, grammes so as to help ister levision," says Sebag's, "is the eventual out-turn will be its rating vis à vis the of grammes so as to help later its rating vis a vis the of BBCs 1 and 2.

Eleven months ago, radio and television confence in Monte Carlo, Mr Tim ell, in Monte Carlo, Saatchilind Chairman of the Saatchilind Carland - Comor agency, London's biggest, as among a number of spears who slated ITV's performed on the programming ratings front.

He accused ITV of "cynly complacency" and "abysty programming." and said is contractors had all but ceas! to sell their own medium. Othagency chiefs have talked the "arrogance" of TV sale departments, and claimed that ITV is in danger of becomin a_ money-processing machine

that hardly cares a fig for the interests of agencies or clients.

At present, the planeter has shated—which is, sist as well, given the prospective in which the prospective in which the prospective about the prospective of the prospective o ITV is currently awash. But it can hardly afford to let its customer relations fall to pieces as it did during the period im-mediately following its return to the air in late 1979, when relations with clients reached

an all-time low. This is especially so in view of the changing ace of the overall broadcasting scene, let alone eventual motes to pan-European satellite IV, which is

Michael Thompson-Noel

Empire strikes out

CONTINUED FROM PREVIOUS PAGE

group). The Authority could not accept a situation where control of the contract whether through a parent or a pro-gramme company itself, could change without Authority approval."

If the attitudes of the IBA

towards the company struc-tures fascinates the City, then it is the Authority's involve-ment in programme planning itself which most closely affects the companies themselves.
For both the IBA and its

franchise holders the relationship is a delicate one. In theory the scheme is simple. The companies, in both radio and television, are free to do what they like in the field of creative content. In terms of quality standards and the overall balance of program-ming then the Authority has the power to give occasional touches on the tiller.

There are times when the grey area between the two responsibilities course problems.

Occasionally a campaigning feature unit will go a little too far in the IBA's eyes and programmes will be delayed or banned: the Authority will insist on low-audience material being shown at peak times in order to maintain balance, even although commercial considerations might indicate a different timing: now and then the Authority's view of what is "good taste" may differ from that of the companies them-

Probably the biggest single example of the way the IBA protects its balance, and thus meers the requirements laid down for it by the Act under which it operates, is its determination over the tree. mination over the years to keep the News At Ten exactly where it has always been—at 10 pm. The companies have long chafed against this since, some of them would claim, this provides an

organisation has demon-

strated its eagerness in recent years to go out to the people. Under the previous chairman,

Lady Plowden, IBA's dedication to public interests meant that members seemed to spend much of their time in trains and aircraft travelling the country to hear local views. It was a campaign of meeting the people which reached its peak during the selection period for the new television companies, but there is still that it should not be seen to be too London-oriented or too in-

Just as the companies beneath the IBA umbrella have changed recently, so the Authority itself may be in for a period of alteration. It has a new chairman, Lord Thomson, who may have spent the past year tring up the loose ends after the Plowden reshuffle but could be expected now to start imposing his own views on the course of IBA attitudes.

considerate of public views.

It will not be long before the director-general, Sir Brian Young, retires. His own appointment, completely from television. outside television, caused to observers of the surprise industry and near despair within it. The academic autocracy that was expected was not so aggressively dis-played as many had feared, however. The speculation now is whether the Authority will go outside again chief executive. outside again for their new

Whatever happens, the next few years are going to be fascinating ones for IBA-watchers. Its empire will be immeasurably larger and the pressures upon it similarly increased. Perhaps its problems will be greater than those for the BBC since, unlike the Corporation, independent artificially early end to the evening's entertainment.

The IBA's enthusiasm for taking its job seriously means that membership of the dozenperson Authority is no sinecure.

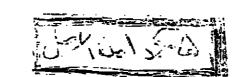
This is increasingly the case as

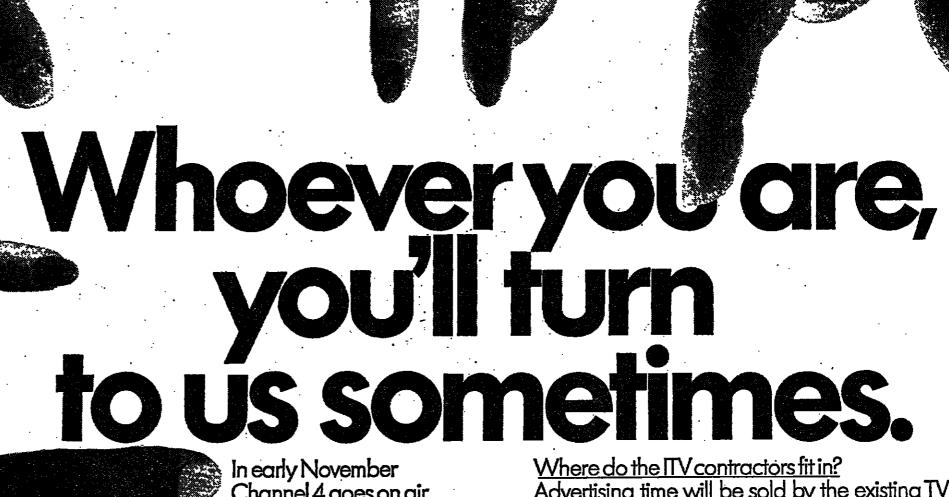
You should have paged the Oracle, ITV's brand new, free to use teletext service, because one of its pages (page 223 to be precise) has the very latest financial news.

For further details visit you local TV dealer.



For the very latest information page the ORACLE.





In early November
Channel 4 goes on air.
Adding a new dimension to
television. For viewers. For advertisers.

television. For viewers. For advertisers. For independent film producers. For just about everyone in fact.

Because 4 is the first of the TV Channels to go national on Day 1.

Reaching 87% of the country. Around 40 million viewers from the word go.

What's on 4 for viewers?

Our programme philosophy is one of choice.

We want to encourage people to be selective in what they watch.

We are broadcasting specific programmes for specific audiences. For individuals with particular interests and concerns.

The young. The old. The business community. As and B's. And ethnic groups.

There'll be programmes they'll all want to watch. Some of the time.

Audiences of all sizes.

Obviously we won't expect huge audiences for David Wilkie in 'Learn to Swim'.

And we'd be surprised if the elderly want to watch 'Reggae-a people's music.'

But while we aim to produce 'distinctive' television, nevertheless we are aiming to achieve an average 10% viewing share.

And to reach mass audiences from time to time with our comedies, films and soap opera.

The opportunities for advertisers.

4 is going to add to the total market for TV advertising.

Big budget advertisers and their agencies will be able to look at 4 as a way of increasing their audiences.

While small budget advertisers will be able to appear on the small screen for the first time.

And target their messages more accurately to the specific groups they want to reach.

Advertising time will be sold by the existing TV contractors, alongside ITV. Not in competition with it.

For them it will mean an increase in revenue, rather than a redistribution of it.

A national event.

Whenever an event of national importance is screened on TV, more sets are bought. More are rented.

The Royal Wedding, for example, encouraged many to trade in their old sets for new ones.

The advent of 4 may well have the same effect, giving a boost to manufacturers and retailers.

A fillip to the film industry.

. We'll be giving the British Film industry one of its greatest opportunities ever.

Millions of pounds are earmarked for independent productions already.

And by looking outside for new material, we'll encourage creative, innovative television.

Some simple economics.

In itself 4 will be a small company. With no more than a few hundred employees.

Yet, to reach our objective of at least £100 million advertising revenue in 1983, we'll be providing advertisers with greater, more profitable opportunities.

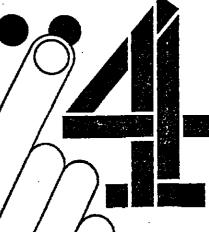
We'll be giving agencies a wider choice of media.

We'll be creating new jobs. In short, we aim to create more wealth than we consume.

The show about the shows.

We are making a series of presentations to key marketing, media and advertising people on February 9th and 10th in London and shortly afterwards, across the country.

Wherever you are, if you'd like to know more about what we'll be saying, write to Diana Hall, Channel 4, 60 Charlotte Street, London W1.
Tel: 01-631 4444.



Technical developments

make the future indefinite

One sixth of the UKpopulation nas just



This is the new headquarters building for Link Television Ltd. We moved in on January 11th.

Link is the selling and marketing arm of both Tyne Tees and Yorkshire TV.

Taken individually, these are big and prosperous regions.

Advertisers buying airtime in both of them will reach the biggest market outside London.

They'll reach one sixth of the UK population, with fully one sixth of the UK consumer expenditure. Which, in cold figures comes to a massive £26 billion a year.

The simplest way to get your fair share of that. is to give Tyne Tees and Yorkshire their full share of your TV advertising spend.

Our highly experi-enced sales team here at Link will give you all the help and back up you need to tailor

exactly the right schedule. Telephone us today on our new number: 01-242 1666.



Brighter prospects for independent producers

Channel Four, mounted by some

Nonetheless, industry has de-

monstrated its capacity to spend

money on truly great examples

of film-making—such as Bert Haanstra's Gloss (Royal Leer-

siana Story (Standard Oil) and

John Schlesinger's Terminus

equally important to Channel

Indeed, Mr Justin Dukes,

managing director of Channel

Four, has recently quoted figures suggesting that video in

1981 yielded the UK television

industry revenues of £580m, against TV film exports of only

Video

(British Rail). If Channel Four

Until these developments

sibilities, allowing the user to

tape off-air from conventional

IN THE 1950s and 1960s, the opposed to sponsored films on of which independent procinema held a magical fascina-(but not all) in the ITV comally those who wanted to make films. The medium gave birth panies. For independent proto an industry within an in-dustry, that of independent ducers, the subject has become so sensitive that some even refuse to use the word "spon-

not from pessimism, but from

an embarrassment of riches.

There are now just so many options available that no one any longer knows anything

reliable about the future of

The options-often restated

are based on three main areas

but rarely twice the same way

of technical development: satel-

lite transmission, cable relay and home video. In a well-

and home video. In a wellordered world, these developments-might be seen as merely
refinements to the status quotechnical aids to the broadcasters. Until recent years,
broadcasting has been merely a

convenient method of sending TV and radio programmes to

the home-with huge capital investment at the sending end,

minimal cost at the receiving

Satellite transmission might

be regarded as merely a more elegant way of performing this job — dispensing with, for example, ITV's 535 regional transmitters and relay stations and doing the job with just one

In the last year, two events sored" because its meaning has have now heralded a dramatic been grossly misrepresented by change in the fortunes of the independent producer: Channel Four and video. The former is pledged to use at least 15 per cent of independent production (some expect it will be as high Haanstra's Glass (Royal Leeras 25 per cent), and the latter dam). Robert Flaherty's Louihas provided an outlet for inexpensive short film subjects, such as the cinema could never

Indeed, independent producers of sponsored films, the video who attempted to make a living market will—and the latter is to complain that their returns Four's finances. from the distributors would barely cover the costs of the release prints. Video has changed that dramatically, and so too has Channel Four-even before it is on the air-because an independent producer now can enjoy a firm commission, where once he was risking his without any guarantee of a penny in return.

This change is important in transformation that independent produc-tion is now undergoing. Whereas a few people in television have independently very successfully they have generally worked as freelance producers rather than independent businessmen with a significant stake in their products.

Now the video industry has spawned a self-supporting independent production sector which is not necessarily dependent even on the sponsored industrial Ex-TV people, such as Michael Barratt, Michael Pea-cock and Mike Wooller (it pays to be a Michael) are now headdeeply involved in video and And the rapidly-Independent Pro-Producers' Association contains amongst its members many names from the 60s or 70s who either tenaciously struggled to succeed in the cinema or turned repeatedly to sponsored films for sustenance-Rodney Giesler, Martin Benson, Gordon Bradley and Ian Shand.

Sponsored

For those who accepted a total commitment to sponsored films, video and Channel Four have moment when the sponsored in-dustry was in decline. Up to date, still months before its starting date. Channel Four has commissioned 227 productions worth £9m from the independent sector. At approximately 535,000 per production, this trebles the value of an average sponsored film today-and in numbers of programmes is probably half the total now being sponsored by industry from commercial companies.

The bridge between sponsored films and Channel Four is still causing engineering problems. Apart from the straight commissions from Channel Four, many sponsored film companies be lieve that industry itself should become an important source of new programmes for the chan-nel. Not only will this supplement Channel Four's production investment, providing a supply of high quality arts and leisure programmes, it should also offer industry a chance to make its own voice heard—in line with the diktat that Channel Four will air material seldom seen on the other TV services.

The commercial pressures . 01 TV broadcasters, satellites or the past year or so, especially those which open the club to cable TV (if connected) or to by-pass the broadcasters altowider membership, have caused gether and buy or rent TV proenough concern. Home video is not only a challenge to the grammes from a new industry which holds no political or financial bars to membership, average viewer's four hours a day spent watching broadcast TV

to spend money?

as does broadcasting. (which for the average even-It is the last part of that ing viewer means almost saturaparagraph which contains the nub of the problem. Home video tion point); it is additionally a potential competitor for adverhas unleashed a torrent of entrepreneurial activity, some of tising revenue. Some major companies are now preparing to divert a part of their budgets into home video, attracted which cuts right across terri-tories that have been the preespecially by the precision with serve of traditional broadcasting (for example, opera, feature films). That giant aerial in the sky offered by satellites raises the spectre of foreign incursions, breaking through at least the political bars—albeit at a which audience groups can be identified and the freedom from government controls. Loyalty price. The tenacious lobby mounted by the cable TV indus-try in Britain has at last won

There is, however, a lobby still offers a financial boost the like

satellite

Satellite and cable TV clouds the issue further. Will viewers pay out about £250 to install dish aerials and further dilute their loyalty to TTV and BBC (already divided 50/50)? Or rush out to pay an extra £10 ment in the present subscription TV licences now sanctioned. per month (or more if all costs occurred (only significantly in or two aerials in a geostationary the last five years), the broad are included to have a cable orbit high in the sky.

Cable relay is another way, pond to the new technical and ITV. If the Home Office although at first impression options. With about 99 per cent protects ITV by prohibiting.

satellite TV. now provide valuable secondary markets for

Most of this new activity is

on film, a small percentage on

video tape and, for Channel Four, some will even occur as

live productions. The emphasis

the independent producer.

IN THE entire history of broad-casting, never before has the ranean laying of cables or covered by the IBA's UHF cable, will foreign satellites and future development of the optical fibres, individually con-medium been so uncertain as nected to each home receiver. It is in 1982. The doubt arises

Home video extends the posjustify an English language ser-vice? It is claimed by some that ably the best in the world, why worry about finding new ways Europe has a vast, underspent

adventising pudget available.
The challenge to the broadcasters looks increasingly like
home videol where the viewer is funding the capital costs of the system regulation is un-thinkable (at least in Western society), copyright problems are almost containable, and the free market pronomy allows the viewer a really wide choice of programming in return for pay-ing a realistly price for it.

Sensibly, the broadcasters are taking the view that their main assets are in programme pro-duction—with alent as well as technical facilities. Vidgo, satellities and table are only means of distribution, and a long as the ITV companies (and the BBC) sustain their domination in production they remain powerful elements in the media equation:

But the superiority of ITV and the BBC has been based not only on programme producmission of television pro-grammes by air has also differed better quality than video and atdio, and for some time might he technically better than domestic satellite reciption.

There are, however, some major technical decisions facing the broadcasters in the next decade; decisions which could involve capital expending of alarming proportions. First will be the addition of stems sound (not in itself a costly exercise—but essential t pete with home video).

Next is the adoptio of digital systems, replacing the present analogue technolog; a changeover that is slowly hapbening at the production ad-but how far will the economics of broadcasting allow it is spread into the distributor

Cable television, especially overseas, and the prospects of Third is the winding up of VHF television transmissi in 1987, bitmediately calling it a re-engineering of this val-able resource perhaps as a network for local TV program

Finally, there is the spectr.

of a complete re-engineering of of film is certain to shift slowly towards tape, which opens up the nation's entire television another new industry. Until broadcasting system, replacing recently, the availability of the present 625 line standard independent TV studies has with a high resolution system. broadcasting system, replacing the present 625-line standard been limited because most of . The last possibility would the production was ITV- or bring to viewers cinema quality BBC-based, or for much smaller projects such as TV commerformat similar There is now much hoard-room activity in trying to pre-dict the new TV studio needs the commercial cinema today. The costs and upheavals in doing this are frightening; but so too are the consequences if the broadcasters fall to accept of this independent production sector. It could become another this challenge.

The pressures on broad-casters are thus not only commercial, but also technical It may be that the traditional methods of programme distribution (by terrestrial trans-mitters) will become as outmoded as those of the film than the £650m of TV set sales industry; where the product survives, but the method of exhibition comes more under the direct control of the viewer.

Anglia Marketing can get you in on the rebirth of



"Congratulations-it's a portable!"

This November the face of commercial TV is going to change.

Because Channel Four will start going out on the air.

And the effect the new channel will have could completely reshape how you use TV.

So you'll want a company that.

all the "dos" and "don'ts" of a two channel system.

Anglia Marketing can do just that. We've spent a lot of time and money on analysing the possible schedules.

So we know what kind of people will watch, and when they'll watch.

And with this kind of information we can help you plan the most effective use of your advertising budget.

Whether you're using ITV Channel Four or both.

If your product is a big brand, or even just launched, we'll be happy to help rethink your approach to TV.

If you'd like to know more about the new arrival of Channel Four in the Anglia area contact:

Richard Emery, Anglia Marketing Limited, Brook House, Park Lane, London WIV 4DX. Tel: 01-408 2288.

In their just-published terms of trade, Channel Four is offer--yet with very few commercial factories available to make ing producers 30 per cent of exploitation revenue, much of the programmes in is a proswhich will come from video as well as cable TV and overseas pect worth pondering on John Chittock broadcast sales. This again

great bonanza, fuelling video, Channel Four and cable TV. But

the capital investment needed

is substantial and the market

The reality, however, of a new production industry which

in 1981 generated more revenue

not quite there—yet.

The gap's a lot smaller than you might imagine.

If you usually base your plans on London and then build outwards, perhaps it's time to turn this conventional concept on its head.

Because today, in many ways, thanks to North Sea oil, prosperity starts at the top of the country and spreads downwards.

In Grampian, for example, incomes are rising

faster than in any other ITV region. Unemployment is below average. The population's booming. And the future's looking good. So, to enjoy a profitable slice of the action

in 1982 and beyond, just start at the top.

Grampian Television Ltd 29 Glasshouse Street LONDON WIR 5RG Tel: 01 439 3141 Grampian Television Ltd Queens Cross ABERDEEN AB9 2X1



Need to market radio's advantages

THIS MONTH Money First Radio, broadcasting to the Inverness region goes on the air, the 34th commercial radio station to be based on Britain's maintand. In lost over eight years 75 per cent of the population has gained access to a new adversising and communications medium and by the time that the 69 stations authorised by the Home Office come on stream at the end of the decade stream at the end of the decade there will ecancely be a home to the country unfamiliar with

ommercial radio. Indeed, the second generation of radio stations is waiting in the wings. The contract for Landon Broadcasting (LBC), the all-news station which was the first on the air in 1973, comes up for renewal this year, with Capital Radio, by far the

lenge from new hopefuls soon after.

Even so, although commercial radio has been a success, with length of the year and the for London, where local radio international, followed by two is almost a contradiction, the film companies, Lonsdale and reluctance of national adversions with 1980 reluctance of national adversions, the collinear contradiction of the year and the for London, where local radio international, followed by two is almost a contradiction, the film companies, Lonsdale and reluctance of national adversions with 1980 reluctance of national adversions. local groups actively competing for the next batch of stations coming on the air -- those serving Newport, Guildford, East

of only 7 per cent on the previous year. Since it was a very good year for the advertising industry generally, radio obviously had its problems, although there was a marked improvement in demand in the

that was an onnus mirabilis for radio because of the extra business gained as a result of

Kent, Barnsley and Stoke — it is still a very small advertising medium, taking less than 2 per cent of total UK advertising expenditure.

In 1981 around £48m was invested in mainland radio advertising (Radio Luxembourg remains a special case), a rise of only 7 per cent on the preally been the biggest advertisers have been suspicious of radio. This could be because advertising agencies gain more commission from the much greater TV budgets; or because radio has only gradually approached being a national advertising medium; or that the agencies cannot be bothered to put top personnel on a peripheral medium which in its early years has contributed little to agency

Expensive

difficult year for independent radio mainly because of the national advertisers preferred to devote their budgets to increasingly expensive TV comfavour of the national brands, around 7 per cent each. as aganist 65 per cent national advertising a few years ago, and last year at Capital were News as aganist 65 per cent national

tisers to invest meant that LBC failed to raise its revenue, and that Capital Radio changed its programming format dramatic-ally in an attempt to appeal to housewives as a means of per-suading packaged goods com-panies, like Procter and Gamble and Unilever, to make more use of radio.

More changes for Capital Radio can be safely predicted this year as Jo Sandilands, who joined in the autumn as programme controller after a stint as editor of Woman, gets into her stride. Over 4m Londoners a week listen to Capital but she would not mind too much if some of the younger addicts fell away to be replaced by former Radio 2 women listeners. Even so Capital had its best October ever, with an advertising revenue of £1.4m and during 1981 it attracted £14.66m in advertising, a rise of 7.4 per cent—not bad but not enough to signify real growth.

The Capital range of adver-The fact is that 1981 was a fificult year for independent dio mainly because of the ational advertisers preferred by film and theatre advertisers and food to devote their budgets to devote their budgets to increasingly expensive TV commercials. The split between national and local advertisers contained and local advertisers contained and local advertisers can advertising come next with

The packaged goods companies and large retail groups that dominate television advertising are conspictions by their

absence.

Radio is aware of the challenge it faces and the Association of Independent Radio encouraged by the better autumn revenue but well aware civilizing all the stations presentations to presentations to agencies, that virtually all the stations extolling the flexibility of the will report lower 1981 profits medium and its cheapness. There has also been a rationalisation in the way that radio sells itself, with more emphasis on regionalism, IRS selling air time on behalf of most southern and Midlands stations while BMS looks after the north. Capital Radio has its own sales force. So agencies can now buy regions roughly comparable to television regions. There is also the possibility of buying the whole radio network at the peak listening breakfast period through one phone call — the cost of £2,500 for a 30 second spot should interest national advertisers.

new challenges of Channel 4 in mixed media campaigns. and, in particular, breakfast television appear. Already it is tion and it is not impossible that obvious that some of the by next Christmas some of the operating on such narrow station chickens will have been margins, that they might have to be grouned regionally and the station of the less substantial local radio station chickens will have been up by plumper hierarchy. to be grouped regionally and share basic services. In East

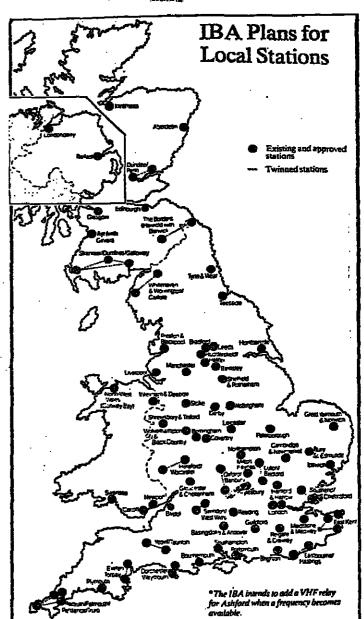
Anglia, for example, the Orwell and Saxon stations have been brought under the Suffolk Radio Group umbrella. At least the financial problems will create more individualism from the smaller stations as they fight to build up local advertis-ing, which will always be their main source of revenue.

and that the audience research published last year showed more stations with a decline in audi-ence rather than a gain compared with 1979.

But the stations can also feel that they are not getting the co-operation they need from the advertising agencies. Commercials often sound as cheap as they actually are, and although an effective commercial can be made for less than £250, too many lack much in the way of creative inspiration. This is because the agencies just are not putting their best brains into radio, and will not do so antil it, offers them, better Radio needs to market itself rewards. But this cannot happen more forcefully in 1982 to get until more major advertisers back into growth before the use radio as a matter of course use radio as a matter of course

It is a chicken-and-egg situaby next Christmas some of the

Antony Thorncroft



Stronger accent on local topics

a significant boost on January 1 that, rather as specialist maga-when three new teams of zines and local newspapers have programme makers began to flourished, so regional tele-make good the promises that vision will be the independent

IBA ennouncements of just over increasing competition from a year ago was a commitment breakfast television, satellites, to increased regionalism in both cable TV and videos. Certainly ownership and content. Two many at the IBA believe that a year ago was a commitment to increased regionalism in both ownership and content. Two many at the IBA believe that regional regions for the East and West Midlands and South run, be the companies' greatest and South but the debete on the and South East were created, the troubled Westward franchise was awarded to TSW (Television South-West), and Thames and London Weekend were told to improve their regional con-

At the time, the IBA said that: "By instituting the dual franchises in the Midlands and South of England, the authority. hopes to give expression to the wishes of the people living in those regions to see a greater reflection of their affairs on television than before."

The first signs are that the companies involved have taken their cues and heavily committed themselves to making programmes which reflect the life of their regions.

TVS (TV South), the new service for the South and South East, plans a total of 800 hours of local and regional pro-gramming in its first year from. its Southampton and Dover

hour-long news and current from its new £20m studies in affairs programme. Coast to Nottingham. Coast, from 5.30-6.30 which will also include the ITN news. This has meant doubling the number journalists employed by Southern, albeit for an exarea producing two substantially grammes for East and West.

Central TV, the dual region carved out of ATV, will be concentrating on news and current affairs to begin with and will put out four hours a week from Nottingham, four hours from Birmingham and four hours of interest to both.

"I think the East Midlands does have an identity and Central TV will be trying to reflect that identity," said Mr Jeremy Taylor, general manager of Central TV (East). The company also plans regional documentaries, chat shows and

Priority

At TSW the regional accent is even stronger. "Regional programmes are our most important priority. would be dead if they weren't,"
said. Mr Kevin GoldsteinJackson, joint managing director and programme controller. company is currently putting out eight hours a week of local programmes but this will be increased to 10 by the end of the year. Apart from gardening, fishing and pro-grammes for young people on Saturday mornings TSW has lured Kenneth Kendall to do a half-hour round-up of regional and local news for the deaf and

hard of hearing.
Television will become more regionalised. It has to because of the growing competition," Mr Goldstein-Jackson said, who also expects the growth of inter-region sales of programmes by

won eight-year franchises from companies trump card in the the Independent Broadcasting difficult days to come when they Authority.

An important theme of the Fourth Channel but also face

strength, but the debate on the subject has far from been As Sir Brian Young, director-general of the IBA told a meeting of the Royal Television Society: "Some argue we shall need fewer regions in order to have a stronger critical mass

grammes against international rivals." Others argue that there should be more because terrestrial television could do a regional job which satellite

and more centralised financial

strength to put on strong pro-

competition could not. The difference in view seems, rather predictably, to follow network company v non-network company lines. Mr Taylor of Central, for instance, empha-sises: "We are not obsessed by regionalism."

Central, as a network com-pany, is planning to make programmes not just for Britain but ndios. for the rest of the world, The company is running an including satellite television,

> Granada company, believes that the present proportion of regional time is about right and that anyway the line between what is and is not a regional programme often becomes blurred. The IBA reported "a steady demand for more local programmes" from their public meetings before the franchise awards and the Authority said it would like to make further provision individual from television when finance transmitters allowed during the eight-year period.

The number of hours of local programming required by the IBA has been creeping up. Significant increases in regional programming were expected from most of the companies

from January 1.

There is evidence, despite the opponents of "parochialism," to suggest that viewers do like magazines score consistently in

the ratings.
In Ulster, where local can present its own problems, the local news magazine Good Evening Ulster can take more than 40 per cent of all TV than 40 per cent of all TV homes with only Benny Hill scoring higher on one recent evening.

One important regional de velopment this year—the open-ing of the new Welsh language fourth channel in November will remove the last remnants of an unfortunate anomaly. HTV's Welsh programmes will move to the new channel and those in Weston-Super-Mare who still get HTV programmes instead of HTV West from across the Bristol Channel will be able to have their Welsh news in English in future. Raymond Snoddy

ANNOUNCING A REVOLUTIONARY. CARS FASTER, TEETH SHINIER TYPSISQUCKER AND CHENIS PALLER

In case you didn't recognise the object above, firstly you ought to be ashamed of yourself. secondly it's a radio, and thirdly it's no wonder your sales don't match up to your wildest dreams.

Radio works.

And we've got the letters to prove it. Philip Hudson of Masius, who used radio to promote Babycham, said: Tve spent years trying to discover the best way of getting through to young women in London...then I discovered Capital'.

Ian Ruddlesden, Advertising Manager of Volvo Concessionaires, said: 'Our advertising on radio has been extremely successful. It has played a vital role in converting sales. Itreally has been a very rewarding exercise to witness

such an immediate response'

Wethought Chuck Anderson, Chairman of Contract Advertising who handle Wisdom toothbrushes, summed up radio well when he wrote: With radio

you can actually talk INDEPENDENT RADIO.

to people when they've got a toothbrush in their mouth. Chat them up in a direct, friendly manner. And toothbrushes are used every day; the sheer economics of radio mean you can have sustained presence for the cost of a couple of weeks of TVairtime?

Judy Gregory, Principal of the Manchester College of Sight and Sound Education added that using radio ... has proved to be more successful than we could possibly have imagined. By the second day we were getting results, and by the end of the first week we had taken more enquiries

than we had previously taken in a month?

Then there was that letter from...but no, rather than us dip further into our mailbag why don't you dip into your advertising budget-and prove it for yourself.

We now return you to your radio.

OPEN YOUR EARS

How to reach
1½ million
Greater Manchester
people effectively.



ASSOCIATION OF INDEPENDENT RADIO CONTRACTORS, Regina House, 259/269 Old Marylebone Road, London, NW1. Tel: 01-262 6681

How does Peter Jay, the chairman and chief executive of TV-AM, respond to doubts about the future of breakfast television? Chris Dunkley reports.

A lack of petrol pumps didn't stop Henry Ford

Britain will start in May 1983. Correction: commercial television with that famous lineup of star personalities— Anna Ford, David Frost, Robert Kee, Michael Parkinson and Angela Rippon-will start its first nationwide breakfast service in May 1983 but the BBC will almost certainly beat them to it. That, anyway, is the belief of Peter Jay, chairman and chief executive of TV-AM, the company which won the early morning franchise from the Independent Broadcasting Authority just over a year

Jay, who is 45 next month. could almost have been invented for the job. Son of former Labour minister Douglas Jay and son-in-law of James Callaghan, he was educated at Winchester and Oxford (1st class honours PPE and President of the Union), worked at the Treasury, became economics senter of ITV's current affairs

series Weekend World and The Jay Interview. He was named Political Broadcaster of the Year and chosen by the Royal Television Society as Male Personality of the Year, then from 1977 until the start of the Thatcher administration, he served as Britain's ambassador in Washington.

Now, with an eight year contract in his drawer and a declared "mission to explain," he is working in a temporary but smartly appointed office in Camden Town, just down the road from Hampstead where he grew up. It faces across the road to the canalside site where his company's permanent headquarters and studios have reached the stage of iron girders.

When I went there to discover how he responds to the familiar litany of doubts concerning the feasibility hreakfast television in Britain he was not only far from despondent at the prospect of sively bullish about the whole idea of "electronic news-papers." Swinging his long legs up onto the desk like a front bench minister in the House of Commons he said:

"There are three things that I've been saying from the very beginning about breakfast television and the BBC: one, they'll do it; two, they'll do it properly and well; and three, they'll do it first. You cannot preside over one of the great broadcasting organisations of the world and stay out of what is now manifestly one of its most important areas of development."

Assuming then that the BBC does start a hreakfast service and that the audience eventually splits 50-50 hetween them and TV-AM, how hig will the audience have to be before Jay's outfit can make a profit? His target, in an age of almost total penetration by both BBC and ITV transmissions, means that 10 per cent to 12 per cent of homes will have to be switching on one of the breakfast services. Does that seem

likely? Jay doesn't see why not, and quotes a figure of. 12 per cent to 15 per cent of American homes now tuning in af breakfast time.

But we have heard an awful lot in the last year or about the differences between morning routines, home layout, and set ownership in Britain and the U.S. Even accepting that American figures are now as high as 12 or 15, won't it take a long time to persuade the average Briton to abandon the radio and the cornflakes in the kitchen and take tothe television in the living room? Another of thosesports from Jay:

"That argument reminds me of Henry Ford. Ever since breakfast television was first suggested in Britain people have been shaking their heads and telling us what a small number of British homes have second sets, and how British habits aren't geared up to watching television in the

Well of course they are not. If Henry Ford had sent out .market researchers to see what facilities were like before mass-producing motor cars they would have found endless numbers of stables and bridles and saddles and shovels for clearing up horse droppings. What they wouldn't have found was petrol pumps."

What about the problem of basic resources, the supply of news? So far no agreement has been reached with FIN (they too applied for the breakfast franchise) who will not at present contemplate acting as a "news agency" supplying raw material to TV-AM. They are only offer-ing a fully finished package with the news read by ITN

staff. "There wouldn't really be much point in us having five of the best known presenters on television if we were going to have the news read by somebody from ITN," says Jay. "We still hope to reach an agreement allowing us and ITN sovereignty over outputs

and co-operation over inputs. If that doesn't happen before we go on the air it's some thing that I'm sure will just grow like Topsy later."

Whatever happens, TV-AM will be using seven of its own ENG (electronic news-gathering) units and the established wire services. It is, anyway, not the hard news bulletins themselves which will fill most of the time on the breakfast show, but that famous process of "explanation" which will be the job

of the star presenters.

Some onlookers in the broadcasting world have expressed doubts about the ability of such a collection of celebrities to work success fully in harness, but Jay declares emphatically that the them together was a shared belief about the need for serious (though not solemn) popular (yet not trivial) analytical journalism. The widespread notion that they were all chosen merely for their fame and then induced to join TV-AM by the offer of

vast sums of money clearly irritates Jay:
"Why should somebody

who is just a pretty face, making a hig income in a secure way, give it all up for the sake of joining an organisation where they're going to have to work through the night and go on the air at dawn. None of them is being paid more money than they were already getting-allowing for inflation—although they do get some shares which will be valuable given

that we succeed.
"If you look in detail at their CVs you'll find that they are not stereotype figure-heads: they've all done serious work as producers or writers as well as presenters." All have agreed to TV-AM's contracts for 26 weeks in the year, leaving them free to do anything they please for the other 26 weeks anywhere else in the world, and anything except broadcasting in Britain.

Though he admits to an emotional attachment to Fleet Street, Jay has no doubts about the future of the



Mr Peter Jay: "I regard breakfast television as one of the least risky commercial propositions. ever undertaken"

British public's source of morning news: "The mainstream of journalism in future is not going to be in newspapers. I regret that, but I recognise it. Newspapers are obsolescent L regard breakfast television as one of the least risky commercial propositions ever under-taken"

The Fourth Channel: meeting great expectations

the hopes that are being built around it then its achievement will have been immense. It will at one time bring relief to minority audiences eager for programmes; it will provide a hungry independent production industry with a vast outlet; it will offer TV company programme makers the freedom to experiment; and it will give space for much loved old material to be seen again.

But while viewers may be wondering if the new channel will even approach those objectives, the industry itself has rather more practical concerns. Can Channel Four produce sufficient revenue to cover its costs, and do so within the three-year period that is now regarded as the crucial testing period? Too great a success might produce squeals from the companies themselves, losing audience and revenue as the new offspring flourishes. Failure.

By next Christmas Mr Jeremy Isaacs, the chief executive of Four, will be one of the most talked-about men in the nation since by then the first few weeks of the channel's operation will have been completed and we will all have made our own instant judgments on whether the Isaacs formula has worked.

Show on the road

By any measure he and his colleagues have had very little time to get their show on the road and, in television terms, not that much money with which to do it. Its revenues in 1983, its first full year, are likely to be much the same as those enjoyed by BBC-2 (which stood at £86m in 1981) without the benefits of cross-fertilisation from BBC-1 since Isaacs will have to pay for supplies from the main ITV companies.

indeed between it-the chief negotiator being Four's Mr Justin Dukes—and its suppliers.

In a perfect world for Four the channel would have bought complete rights for the average £30,000 an hour it feels able to pay. It is those very residual rights, however, which every producer, whether independent or already part of the ITV system, is eager to retain. Four wants to see revenue generated from overseas sales and from merchandising (soap bars made from Fourth Channel cartoon character figures?) but these are exactly the areas that any self-respecting producer also sees the jam coming from for

tional ITV systems the control over product is much more com-

Within the BBC and conven-

than sorting out internal contractual positions,

The difference with Channel Four is that it is a publishing house, not a production house.

This has brought both joy and pain to those who have dealt with the Channel Four company. The relationship between author and a publisher in normal book terms can be difficult enough, but it is compounded a thosuand times in something as sophisticated as television. There have been That is hardly surprising. The considerable areas of debate full flavour of the system is proover such matters as who funds what, when? How is production financial expenditure monitored? Who deals with

There have been lengthy conversations about what happens plete and those organisations do when a programme goes over contractual relationship, with not necessarily have to involve budget, something which can be the franchise holders themhave to pay for supplies from plete and those organisations do when a programme goes overthe main ITV companies.

By no stretch of the imagina
By no st

IF THE Fourth Channel, now however, would present the ITV to is Four going to be a rich who paid what if a programme ditions as by inefficiency. Mr although some companies have channel, and this has led to is bought for showing on cable Paul Bonner, the channel's conprojects in the pipeline which some very hard bargaining television in Anchorage other troller, told independent producers recently: expect feedback . . . of the proession of money as the weeks of money, one overspend is somebody else's programme that does not get made."

Full flavour

Even with the various items of news that are heard about programme commissions, it is difficult to assess the actual form the channel is likely to take. That is hardly surprising. The bably unpredictable, even to those most closely involved in it. Clearly it will have a personality of its own, but the form post-showing letters, telephone of that personality will not calls or major rows? emerge until the transmitters are actually whirring.

The Fourth Channel's main

when the contract position has been ironed out

The problem, inevitably, is go by. We have finite amounts money. Established television of money one overspend is companies have higher costs than independents and those companies are therefore seeking a higher reward for their wares The Fourth Channel would prefer there to be an element of

> to get the operations going. Among the companies, however, there is a feeling that the channel should lower its sights from 50-60 hours a week and pay proportionally more for those fewer hours. Channel Four itself regards such arguments as naive. The reduction in hours would be in low-cost peripheral periods and anyway a 10 per cent drop in hours does not mean a 10 per cent rise in

Debate over Welsh language service One of the more argued over aspects of the new television services of the 1980s is the Welsh language service which will be offered on the Fourth Channel in Wales. Introduced after Welsh Nationalist Mr Gwynfor Evans threatened to starve himself to death and budgeted at between £20m and £30m a year, the service is aimed at 540,000 Welsh

ing dilemmas. On what nights. its major audience grabbers; against what ITV shows? chise and one the weekday. whether Mr Paul Bonner, the channel's controller, and Mr. Isaacs choose Saturday night or Wednesday for their most popular offerings is a crucial

Inevitably these problems will be ironed out, but not with-out some blood-letting on one or both sides. If it really came to the crunch the IBA has the power to tell companies to offer

speakers. ITV companies will have to provide money for the service but are unlikely to get much in the way of a return since demand for advertising may be limited. The BBC has to provide 10 hours proadcasting a week. The whole system of broadcasting to Wales in Welsh is to be reviewed in three vears' time.

Meanwhile, the one thing we for example, is it going to place do know is that there will be a nightly one-hour news' and features programme to be predeficit financing — selling shows For the two London stations, sented by ITM, which will be for less than they actually cost one holding the weekend fran paid £5.5m a year for the age. vice. This will give IIN the sort of outlet it has been seeking for years and which it has been forbidden by television company programme controllers jealous of their own time and by documentary departments. eager to keep TTN off their

> What ITN will make of this remains to be seen. But if CBS can make 60 minutes a top ten show in the U.S. . .

Oranne louis Hitismi on wour schedule tear up your schedule.

Channel Four starts next November. Better talk to us now. Telephone Peter Rennie Sales Director on 01734 8080. **GRANADA TELEVISION**

Purcell Room

Kuriko Nagata

by RICHARD JOSEPH

Miss Nagata is an obylously talented, mature violents with a string of worthy Japanese and European prizes to her credit. Her Purcell Room recital on Monday was chosen to display her best qualifies sectious plain interpretations played with an aven, steady bow arm, ample time and a left hand of impressive consistency.

But constancy of a certain kind is not always welcome.

kind is not always welcome. The international subtelities used by the finest string soloists were lost in Miss Nagata's homogenised approach. For her, an E natural was always the same pitch, whether it is the fifth of an A major chord or the leading note of an F miner scale. She could have been playing on a fretted fingerboard for the intonation made both Beethoven's E flat Sonata Op. 12 and Brahms' A major Sonata Op.

Unfortunately, Miss Nagata tunes her instrument appre-ciably sharper than the plano. This is a reasonable ploy when playing concertos, since the solo violin needs some additional brightness in order to ride over

the orchestral strings. But it is hardly necessary for a duo recital in a space as confined as the Purcell Room and it gave a tense, nervous finish to her otherwise disciplined playing. Within the limitations already listed, Faure's Sonata in A fared better than either the Beethoven or Brahms. The soloist found a fresher response to the music and seemed to be listening to her pianist, the dependable, interesting John Blakely, rather fretted fingerboard for the more often. Bartok's First variety of harmonic emphasis Rhapsody was confidently dis-she found. This stiff, unaware patched, full of the right downbeat emphasis if without the lilt and skittishness this essen-tially dance music requires.

Covent Garden

Hoffmann

by DOMINIC GILL

Offenbach's Les Contes d'Hoff- rewardingly applied to a really mann is an opera made from first to last—and therein lies Pacific or West Side Story—its claim to fame, as well as its both of which at least contain only claim on our interest—of a good deal more than Hoff-the purest unalloyed kitsch; a mann's one good tune, and are work which in nearly every better theatre to boot? respect adopts the manner of Covent Garden's later fine art without preserving any of the Hoffmann mixture was of its substance. Like all good reviewed here in some detail kitsch, the piece can be stirred up and reassembled in almost any form without affecting its basic nature or purpose: a cut here, an addition there, Giulietta before Antonia or vice versa-

who cares about the difference? A hollow fun-toy, brightly painted, the equivalent in 19th century terms of the second-rate fun and in one or two pages actually delightful. But I won-der if it's not at least conceivfirst-rate musical like South

Covent Garden's latest stir reviewed here in some detail last Saturday by Max Loppert. Having missed that opening night, on Monday Placido Domingo strode into the lead-ing part if almost any assumption of the role were not equally plausible. Domingo's would be fhe perfect fit: a tall and virile Latin playboy with a splendid. muscular tenor voice. There are Broadway musical, Hoffmann is sure to be plenty of tenpenny fun and in one or two pages pieces to bank during the run: for while Domingo was on stage, it seemed that every lady in able that the same opulent the house sat with little red

Music and dance in Berlin

Berlin is to dabble in the city's run of music and dance prorun of music and dance pro-from of music and dance pro-grammes. The season at the Vienna and Paris to Berlin, grammes Westens began with at the end of January comes a Karl Vibach production of an all-German production of Paris Vienna Redesce Paul Linke's France Lung, Rodgers and Hammerstein's Berlin's first genuine operate Gkluhoma! The enthusiasm that in 1899 and a nostalgic addition to the Prussian Art Exhibit, musical comedy is most impressible a street named after sive and it's growing in such a grant Linke at the way have Paul Linke on the very bank manner as to spill over to of the Spree; the show's top song, "Berliner Luft," is still on every music lover's lips; and the composer is as known and phenomenon known as the honoured here as the Strauss International Ballet Centre Family in Vierna, Gilbert and Berlin, the entrepreneur of Sullivan in London. George M. which is one Michael Tietz, a

Picture an operetta midway dancing in his head. between George Melies silent Tietz organised a Gala-Ballet-ome reelers or Jules Verne's Evening just before the fantasies and a leggy revue at holidays with some of the the Folies Bergeres, and your vision of a couple of yokels engaged for two evenings at the sinding on the moon and meet city's Congress Centre, stars ng the lady of their dreams is like Reda Sheta, Peter Breuer, ing the lady of their dreams is pot far from Fron Luna-in fact, since Paul Linke learned his trade while conducting in Paris at the Folies, it's an open question whether Linke's Berlin operatio influenced his French

colleagues in the long run. Presently, the Theater des Westens is quest-hosting the travelling company of Bubbling

One of the delights of visiting Brown Sugar, winding its way across the continent from German theatre as a whole.

Another bit of sunshine on the horizon is a new cultural Caban in New York and solo dancer at the Deutsche Jacques Offenbach in Paris. Oper Berlin with sugar-plums

Tietz organised a Gala-Balletbrighter names in the field Joyce Cuoco, Coleen Scott. Christopher Boatwright. Monique Janotta, Yvonne Ven-Boatwright. drig and many others.- The shows were nearly sell-outs-7,000 ballet fans applauded so mightily that the gala extended into the wee hours. A

Tschaikowsky-Abend is next.



Roy Marsden and Polly Hemingway in Airline

Television

Better serial crop from ITV

by CHRIS DUNKLEY

respected literature has long been seen as one of the BBC's strongest suits. Certainly BBC adaptations last year such as against three adaptations on Bread Or Blood and The History Man were more impressive one soap opera on BBC2. than their original drama serials which included such notable horrors as The Borgias and Triangle and only one triumph in Private Schulz.

Now, three weeks into the new season, it looks very much as though ITV is proving that in addition to matching BBC standards in high quality adaptations it can leave big sister standing where original serials are concerned. You could argue that the reason is that apart from Ennal's Point the BBC simply isn't doing any original serial drama.

Moreover the settings are historical in every case, the first say. being 18th century, the next two Victorian, and even the Iris Murdoch dramatisation looking quaint what with vast roll-ons and little Messerschmitt cars not to mention the manda-

tory steam-train sequences. Memory suggests that over the years ITV has been as bad as the BBC at producing serious original serial drama with contemporary themes and settings. Discounting soap operas (and it looks as though that means discounting Ennal's Point where gossip about adultery looms larger than the lifeboat station) what comes to mind? Maybury from BBC2 last year, beyond that Telford's Change, and then much further back The Glittering Prizes and such sixtles series as Z-Cars, The Plane

Makers and The Power Game. by Wilfred Greatorex, the very

With the start of this new And Brass from Central (ATV season we may have reached a as was), leads ITV's drama watershed in British television series line-up for the new drama. Last season ITV proved season. The others comprise a with Brideshead Revisited that fresh batch of Thames's Minder they could equal and outdo any and in my view. Shinc On thing the BBC might manage in Harvey Moon. I say in my view the way of costume drama even because although promoted as though the art of adapting from a half-hour comedy series it looks much more like serial drama than sitcom. That makes four original series from ITV

The most fashionable period for drama at present is clearly the 15 years following World War Two, the period into which not only Airline. Shine On Harrey Moon and The Bell all fall. but also Tim Prece's single play on BBC2 The Combination which was far and away the best bit of television drama so far this year. In a poor play the characters will make statements about life in the same way that a poor novelist will rely on assertion. In a good play the characters Gulliver In Lilliput. Fame Is
The Spur, King's Royal and The
Bell are all adapted from books.

may talk about their oreakiast or the weather but their actions and relationships, and very tone of voice will embody what the playwright wants to

> condition of men exposed too long to war, the effects of a divided education system, the benefits and horrors that came the redevelopment of Slatterley from do-gooders, the joys of the countryside and the suffocation of provincialism. All this was communicated Hailey's obsessive detail. I song. implicity yet none-the-less cannot say I fully understood vividly in the seemingly in- last night's bafflingly compliyear-old boys from Church Stretton spending the long summer holiday between primary and secondary school in playing, arguing, fighting, eating beans out of a pur-

By comparison all the drama demobbed from the RAF, has serials, not even excepting The a bitter-sweet flavour not unlike Bell, are doggedly literal. Of that in Leslie Thomas's books course that may not be at all a and a similar sense of the bad thing, since it is really comedy of everyday life. What another way of saying that they rely for much of their appeal on powerful narrative. (Ironic-ally the work in which narrais not yet clear is whether, like far too many situation comedies, the episodes will merely meander around the characters tive drive is of least importance, in an arbitrary way or whether Gulliver, also happens to be the Marks and Gran have developed Gulliver, also happens to be the BBC's best.) One of the main

proper continuing plot. reasons why ITV at present has Gulliver is making excellent the edge over the BBC is that use of chromakey, glass matte (I think) and other techniques anyone who reads widely already knows what is going to happen in all the BBC works whereas Airline, Harrey Moon, to achieve the necessary disparities between Lemuel and the Lilliputians, but more im-Muck And Brass and even pressive than that it is retaining Minder all hold out the enticein Barry Letts's dramatisation ment of going back to discover remarkably high proportion what happens next.

of the satire. Considered in terms of that King's Royal is the everyday wide sea of popular fiction story of a generally nasty Vicwhich, as I was saying here last week. television's detractors torian family involved in commerce—a sort of landlubber's Onedin Line with steam trains like to pretend does not exist since they wish us to believe and landaus instead of ships carrying all the conviction which is missing from the that print starts and stops with Tolstoy. Airline is one of those Gavin Lyall sky-pirale yarns. characters who might have even down to the identity of the stepped straight out of Boots' Subscription Library. heroine-a battered but beautiful Dakota. It still has all the Greatorex hallmarks though, If Kenneth Griffith does go to preoccupations with the often

immoral and the illegal, the it will mean an irreplaceable contained in the particular: life, and the more gratingly BBC2 programme on Saturday the state of the country, the realistic details of commerce, with its typically provocative Muck And Brass by Tom title. The Most Valuable Clarke which dramatises the Englishman Ever was a splendid intrigue and corruption behind talents. To describe it as a dramatised biography of Tom city centre is a bit like a story the from John Braine in a black Paine would be like describing mood combined with Arthur The Messiah as a religious As with Griffith's programmes last night's bafflingly compli- on Napoleon and the Boer War

substantial story of two 10- cated shennanigans over the this one fizzed like a Catherine year-old boys from Church football ground yet I am sure wheel, lobbing out evidence of Clarke never cheated on the a bewildering combination of plot. In a large and consistently characteristics: acting talent, good cast there is nobody to bile, passion, compassion, fury, sympathise with; yet the first love of liberty and place and two episodes have been utterly people, contempt for small loined tin, and attempting to engrossing, thanks to Clarke minds, pity amounting to tear-reach London by bicycle to and to superb technical work fulness for the weaknesses of visit the Festival of Britain. particularly in the editing. This mankind, awe at the greatness These last two were created Thanks to Preece and director may well turn out to be the of mankind, conceit, single that the gala extended by Wilfred Greatorex, the very Peter Hammond it was a season's best serial drama. 'mindedness, and not least mishe wee hours. A man who is responsible for masterly exploitation of telebicking Abend is next.

RONALD HOLLOWAY vision series which, with Muck if lucky, once or twice a year. fortunes of an NCO just revivalist Welsh preacher.

The was a season's best serial drama. 'mindedness, and not least mismindedness, and not least mismindedness, and not least mismindedness, and not least mismindedness, and later. Over 500 objects display of Indian playing cards.

Airline, the Yorkshire Television of a sort that you see, which, like Airline, follows the the rabble-rousing hwyl of a will be on display, borrowed The exhibition runs from April
from many collections, and 21 to August 15, 1982.

Old Red Lion, N1

Three Women

by ROSALIND CARNE

Childbirth may bring joy. It may bring a terrible sense of loss. Or it may, in the words of Sylvia Plath, "create corpses." Her searing dramatic poem explores each of these possibilities through the minds of three women, before during and after their stay in a maternity ward. Sylvia Plath herself had two children, and she also miscarried soon after her marriage to ried soon after her marriage to poet Ted Hughes. So in spite of the form, and the quite distinct characterisation, it is clear that, more than in most dramas, we are listening to the several voices of the author.

The play was written to be read aloud and was first heard on BBC Radio in 1962. There have been several readings since then, including a recent produc-tion by the Royal Shakespeare Company. Now director John Abulafia has made a rare experiment with active staging, with some interesting results.

He uses three blocks against a folded green screen, unexceptional costumes, white hospital gowns and an oblong sheet spread across the centre floor. Gestures are carefully latched to the verbal mould and movements are largely limited to the change of mood between the speeches. The text expresses no direct interaction between the "I wasn't ready/I had no patients, but there are nice reverence." she says. Too true. directorial touches here, as and a vicious circle for all but when the student who has sent the most exceptional young her child for adoption casts a performer.

Childbirth may bring joy. It final longing glance towards the may bring a terrible sense of happy mother of a healthy boy. Crucial moments stand out. like the latter's aconised labour. knees splayed, hands clenched around the chilly fabric, as she rocks her tortured body. Indeed. Daryl Webster moves better than she speaks and I was sadly disappointed by her failure to communicate the tough kernel of emotion which the part demands.

Only Kate Versey, as the Only Kate Versey, as the secretary who endures three miscarriages, is unfailingly convincing throughout. Her words pierce to the heart, lingering with chill reverberations at the end of each monologue. She soars from colloquial ironies to a frency of hitterness. ironies to a frenzy of bitterness. gliding imperceptibly into that love affair with death which so tragically destroyed the author. Her part is closer to the Sylvia Plath we remember most easily. angry, mocking, and desperately self-destructive.

Susan Penhaligon plays the third character, the youngest woman who offers her baby girl for adoption. She is outstripped by the requirements of the

Festival Hall

Strauss

by ANDREW CLEMENTS

Never willing to do things here and there and never by half measures, the Young attempting over-saturated, in-Musicians' Symphony Orchestra dulgent phrasing. The orchestral Songs were allowed to work listening to beautiful songs, or to a beautiful voice artfully exploited?

formance of the Songs lay in the cerned. soloist, Josephine Barstow. A Arabella on stage ought to fit sumptuous tone.

gentle and intelligent stresses take.

came up with a programme of accompaniment, an aberrant Richard Strauss on Monday violin solo in "September." evening that could have been apart was deft and sympathetic. designed to sift the real In the more fantastical part Straussians from the fellow of the programme also, James travellers. Everything that is Blair guided his players with bad about the composer was enormous enthusiasm. The demonstrated in the Festical Festival Prelude is almost a Prelude and the Alpine Sym- lovable rarity, with its grandiose phony, while the Four Last organ introduction and 10 trumpets, and a big C major their familiar confidence trick tune that bears more than : on a willing audience—are we passing resemblance to Brahms' first symphony. But the AlpineSymphony remained still beyond the pale as far 25 this Yet the interest in this per- steadfast non-believer was con-

The justification for writing singer who so successfully en-compasses both Salome and mountains seems even less than the irrational obsession with convey about the general was effects of business upon private loss to British television. His nicely into this work, but so climbing itself; what can such much of Miss Barstow's impact music mean, unless, like lies in her dramatic presence Mahler's third symphony it that one wondered in prospect attempts to transcend its panhow the voice alone would sus- theistic beginnings and reach example of his extraordinary stain this celebration of towards some more generalised statement? Such a concert, in-The slightly acidulated sound valuable in its way, shows the of some passages in the event importance of Strauss to 20thwas a refreshing change: other- century music in demonstratin; wise she moved elegantly conclusively the path that comaround the melodies, applying posers could not in the future

Indian art for V & A

The Victoria and Albert including paintings, jewels. Museum is mounting in the textiles, and weapons. A related spring an exhibition to rival exhibition in the Library con-Grea: Japan at the Royal centrales on paintings by British
Academy. It is The Indian artists on Indian life between Heritage and concentrates on 1760 and 1860. At the branch the courts of the Mughal of the V & A at the Bethna! Emperors of the 16th century Green Museum there will be a

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F.T. CROSSWORD PUZZLE No. 4,776

ACROSS 1 Crossroads at the University

4 The design of a lawgiver 18 Message 600 feet long (5)

9 The debit upset me - it is 23 Inferior legislation to aid the moment to retire (7)

the Zoo (5, 5)

12 Loan requested by Antony 13 A broken pedal to offer in excuse (5)

excuse (5)

14 Composition — of Liszt or Gershwin (8) Solution to Puzzle No. 4,775

FANLIGHT SWITCH A I N A I R A LETALONE INTOWN T W I D D D P G EPIDEM AC ALBINO R T R N N A C V CHEAPSKATE S S S A U S L P N S R V F E I GREEDY FEATURED

16 Emphasised the backward waste regions about the South (8)

20 Defeat in Parliament (4) 8 In all seriousness it is included in the profit (7)

The delian seriousness it is included in the profit (7)

those in need (4, 3) 11 Great little car for one at 24 Motoring body found within 1.760 yards-what a wonder!

(7) 25 A sound officer-that's the important part (6) 26 The design of a camper (6)

DOWN

1 A soldier with the heart of a Roman dog (5) 2 "Till that a capable and wide Othello) (7)

3 An unusual deposit down under (9) 5 Work must be on time in Covent Garden (5)

6 Songs of praise for workers round the border (7) 7 A river to span-don't look for 1 across here (9)

ways" (Wordsworth) (9) 17 The fifth ruler (8)

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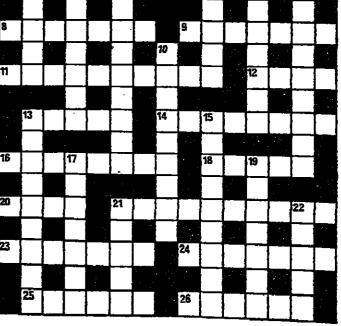
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10 "She dwelt among the ____ 15 Holy Day island (9)

· 21 She saved the shipwrecked crew-amazing: (5) 13 Variegated like Joseph's coat 19 Artist in lighter fire-screen 22 Divulge secrets in Yuguslavia

FINANCIALTIMES

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Wednesday January 20 1982

A present from the miners

no longer threatening to go on strike must come as a great pleasure to the British Governcent and a considerable relief to the country.

True, the news has still not been officially confirmed, but Mr Artinur Scargill, the miners' leader-elect, has been hinting at it for several days and went close to confirming it yesterday. Union members were asked to vote against the present pay offer of 9.3 per cent and in favour of strike action if a substantially higher offer was not forthcoming. The constitution requires a 55 per cent majority. The chief interest now, on the basis of what is known of the results, is how far the majority

Mr Scargili has blamed the outcome on an article written by Mr Joe Gormley, the outgoing president, in the Daily Express last week which advised the miners to think very carefully before casting their votes and said that he personally was in favour of accepting the present offer because he did not believe that the National Realism Coal Board had any more cash. Yet it seems unlikely that one article could have done much to sway the vote. Other factors must have been at work.

One was the way the ballot proposition was phrased. If it had simply rejected the offer and threatened undefined industrial action, it might well have been carried. It was the threat of a strike which made people more cautious. The wording came from the moderates who at present control the executive by 13 to 12. They calculated rightly that the left could be hoist with its own petard by

asking for a strike mandate. pretty well. Mr Gormley wrote n his article that no union in Mrs Thatcher entered No 10

THE NEWS that the miners are know it. Even the 9.3 per cent offer is high in comparison with what the Government would like to see in the rest of the public sector and certainly with many settlements in the private sec-

> ing the 70 per cent by which Mr Scargill was recently elected President with the rejection of the threat of strike action, first sight, it seems that there is a contradiction here—the miners turning against their militant leader. It is more likely, however, that the miners know exactly what they are doing. It is, after all, a very democratic union where decisions are taken only after a great deal of of discussion. The real lesson, therefore, is that the majority of the miners do want militant leadership, but that they do not yet want mili-

> tant action.
> It may be different next time. Mr Scargill is unlikely again to be landed with an unnecessarily extreme motion for the ballot, and in any case the balance of power in the executive is expected to change slightly in his

Yet for the Government time is a most valuable commodity. The contrast that matters here is how different the prospects for the next few months would have looked if there had been a miners' strike on the horizon. Memories of 1973-74 when the miners effectively brought down Mr Edward Heath were already being invoked.

Now the prospects are not clear, but they are a good deal better than they were The aim of keeping down public wage settlements in general should become more realisable. There is time for the economy It is also the case that the to recover somewhat before the miners recently have been doing next miners' claim comes round And the Government is entitled to point to the result of the pit Britain has done better since head ballots as another example of growing economic realism in Downing Street and the miners the country.

Sudan's president takes a stand

PRESIDENT Jafaar Numairi of form of a standby facility. The Sudan has led something of a recently agreed rescheduling of charmed existence. He has survived three serious coup attempts and numerous plots since taking power in 1969.

Now a combination of factors, not least the desperate economic and financial condition of Sudan, question mark over a regime which for the past decade has provided essentially moderate, what is Africa's largest state.

Libya's threat to Sudan, grossly exaggerated by Mr Numairi in the hope of eliciting more military aid from the U.S. and amounting to little more than border harassment, has now receded. A far more disturbing development has been the reseurgence of political discontent in the oil rich southern region of the country and secessionist feelings there.

Anger and suspicion have been engendered by Mr Numairi's dissolution of the Southern Region Assembly and his plan to split the region into three provinces. This is part of a move to decentralise governhas been a desire to curb the influence of the predominant

ever, the main source of disconground nuts. Despite the tent endangering stability. A big massive investment in the rise in sugar prices, which pro- Kenana sugar project, selfvoked student riots, was one sufficiency in sugar may not part of the programme of aus- be achieved this decade. terity introduced by the last government on the recommenda-asked his country to accept a tion of the International Monet-dose of increasing austerity, or ary Fund. Implementation of to accept his resignation. It is tough reforms are the condition a belated gesture, but a brave for a loan of 198m SDRs one, and it must be rewarded (\$227m), yet to be approved, with continued Western sup-which would probably be in the port.

\$600m of commercial banks debts under the recently signed agreement was also contingent on reforms.

The rescheduling of Sudan's foreign debt, currently amounting to some \$3bn, and should cover Sudan's financial and payments needs in 1982. But the DIF's prescription will be a painful one for a country classed as the 17th poorest in the world. The gloomy prospect is that the Sudanese consumer will have to be squeezed still more as part of a longer term recovery programme.

Sudan bears more responsibility than most developing countries for its own plight. Beginning with heavy-handed nationalisations a decade ago, the Sudanese Government has compounded basic economic problems through mismanage ment, slow or ineffective decision-making and lack of planning.

Deplorably little of Sudan's agricultural potential has been ment, but one suspected motive fulfilled. Production of cotton traditionally the main export, has fallen by 60 per cent over five years and last year earned Sudan's chronic ills are, how- less foreign exchange than

President Numairi has now

De Lorean gamble

in Belfast, started under the tighter monitoring arrange Labour Government in 1978, is a high-risk venture backed by a disproportionate amount of taxpayers' money. To some people's surprise, the company is now making and selling cars and employing 2,600 people. But its finances are fragile. The long-term viability of the project remains in doubt.

Northern Ireland, the Govern- these conditions are met, ment had no alternative but to further financial backing would extend the loan guarantees to be a disservice not only to the the company. In announcing taxpayer but also to the comthis decision yesterday, the pany's employees; there is no Government said it would security in jobs which depend review its overall relationship on permanent government with the company." After the support.

THE DE LOREAN car project events of the past few months ments are certainly needed. At this stage there can be no question of pulling out. But the Government has to decide. after investigation, whether the finances of the business can be put on a sound footing, whether there is a market for its present and projected models and whether De Lorean can become a self-supporting business within Given the need for jobs in a reasonable time span. Unless

CUTTING UNEMPLOYMENT

The costs of early retirement and the growing conflicts

By John Lloyd, Labour Correspondent

MOVEMENTS, opposing ends of the age spectrum, are gathering As unemployment pace in Europe. The first, continues to rise, thrown into sharp relief in continues to rise, Britain last summer, is a rebelling many governments are lion of the young which is assumed to have been in part tempted to see early protest against the inexorable rise in youth unemployment.

The second has gone all but Of creating new jobs. unnoticed, though it has spawned a catchphrase. "Grey power," the protest movement of the elderly, has been directed not only at attempts is expensive. It places to secure higher pensions but also at resistence to attempts an extra strain on to force older workers to retire early. There are also those who argue for an extension of the retirement age. The elderly are not united on

this: many workers, it appears, workers who do not would prefer to retire early. Yet the movement, for the mo-ment, seems to be responding to upward pressure: in Italy, for example, the pension age is being raised to 65 from the present relatively low figures of 60 for men and 55 for women: while in the UK the Government and the Equal Opportunities Commission have sugested raising women's pen-sion age to 63 or 64, while men's pension age drop by only one or two years, to equalise

These two movements, of youth and age, are wholly incompatible at a time of falling employment. They highlight the problems facing Governments across Europe who are seeking.

Two movements which are incompatible

often desperately, for ways either to increase the supply of work or decrease the supply of

Early retirement—reducing the pension age—is among the most popular of the solutions canvassed, since at first sight it seems both to open the way for younger workers and to bring benefits for the elderly. Yet on closer examination, the alternative has all kinds of costs beyond the awkward fact that many older workers want, or need, to carry on working.

-AMONG THE PROBLEMS - early retirement will be expensive—Governments will have to pay increasingly large sums to open up a smaller and smaller number of jobs;
• it will place a large burden on occupational pension schemes which are already suffering from enough problems:

human cost for those want-or cannot afford—to retire early

skills are lost. And, inevitably,

But there is a catch.

Retiring workers early

pension schemes. And

it also imposes a

more of them get poorer earlier. Youth unemployment is likely to get much worse in all European countries before it gets any better. Not only are the number of vacancies for apprentices continuing to fallespecially rapidly in the UK-but the birth "bulges" of the 1960s are now coming on to the job markets of Europe.

They will continue to do so

until the second half of this decade, when the 16-24 age

group begins to fall from a mid-1980s peak. But the total labour will continue to grow, though more slowly than before. until well into next century. Britain has had five years of experience of a job-creating early retirement scheme, in the Job Release Scheme. Introduced in January 1977 by the last bour Government, it was designed, as the Department of Employment recently made clear in evidence to the Comnons select committee on social services, "primarily and essenan employment tially as measure rather than a move

towards early retirement." the scheme on the the older worker who is retiring by a younger worker: those retiring now receive between £40 and £50 a week; the scheme began for 64-year-old men and 59-year-old women, but has been extended to 63-year-old men and, from next month, to 62-year-old men; there are now some 50,000 people in the scheme, a figure which is expected to grow to 120,000 by next March.

. Its effectiveness is difficult to measure. Since it was introduced the unemployment figures it also imposes a human cost: have risen sharply and thus any

years-a long time in which

bids went so far as to describe the Sassenach-held Clydesdale

earnings rule Actuarially at normal long-term unemployed 5% p.a. for up to plus difference between UB and previous wage. From 60 (or earlier) benefit for redundant 5% p.a. earnings for 5 years subject 50% pension loss Full pension at 60 with 15 years continuous service and unem ployed for I year in 18 months 5 years early for workers dismissed from certain industries. None Yes until 70(m) Source: House of Commons Social Services Committee

PENSIONS IN EUROPE

RETIREMENT PROVISIONS IN SOME EEC COUNTRIES

scheme. The Department of reckons that Employment between 75 and 80 per cent of those returning early are replaced from the unemployment register-the remainder coming from some other form of occupation or previously unregistered. There has been some resistance

to the release scheme from employers: DoE surveys show that per cent of workers who wanted to participate in the scheme were put off by theiremolovers. The Job Release Scheme's net

cost is similarly vague. According to DoE officials giving evidence to the select committee, the gross cost for the present financial year is £167m, rising to more than £400m by 1984 in cash terms: the net cost. they said (taking into account the reductions in social security

(a) Children (0-15)

(b) Working ages (16-64 for men,

(65 for men,

60 for women)

The ratio of working age over pension age

BRITAIN'S POPULATION: PROJECTIONS 1979-2019

(59.6)

workers feel unwanted, their calculation is only of the pos- to be around half the gross. So sible mitigating effects of the it appears that there is likely to reckoning, is migh. be a reduction of less than 100,000 in the unemployment totals at a net cost of around

£200m a year. Based on the experience of the release scheme, and on other projections, the DoE has constructed a series of estimates of the net cost to central government of an overall reduction in the retirement age. The Department estimates that a lowering of the age to 64 would cost £400m pet; to 63, £800m; to £1.2bn, to 61, £1.9bn, and to 60, £2.5bn.

The central assumption here is that two-thirds of the jobs by early retirement would be filled by workers now on the unemployed register. However, even if there were full replacement from register, the costs would not fail very much—to £300m with a retirement age of 64 ranging

The squeeze, however, would

not only be on the state. Occu-pational schemes in Britain are suffering from the aiready effects of the recession: pay-ments from schemes have accelerated over the past five years, in part because companies have been encouraging more workers to retire early. But this is not the only pressure on occupational schemes: as Mr John Moxon of stockbrokers Capel Cure Myers points out in a recent study. pension contributions rose by only 10.1 per cent in 1980, marking "an important reversal of a trend" which has seen pen-

strongly for a decade, In previous recessions, Mr Moxon says, pensions funds were compensated for the drop. in membership because a grow-ing number of funds contracted of the state scheme, and by improvements in pension arrangements -

sion funds grow much more

"By contrast, we have now reached a mature stage with virtually no additional schemes contracting out, and there has been a temporary halt, becauseof the economic climate to further improvements in pension provisions. This has meant 32,407 33,751 33,878 35,047 35,167 that the pension movement has (61.1) (59.9) (61.5) (60.4) had to bear the full burden of the cuts in membership implied by the reduction in employment without any compensating (17.4) (17.7) (16.7) (17.0) (18.1) flows elsewhere." A further burden of statu-

tory early retirement, then, would clearly bring the occupational schemes to near crisis point. The Occupational Pensions Board, in a note to the select committee, notes that the lowering of the male pension age to 60 would be "expen-

sive." requiring an extra con-tribution of 2 per cent of salary from new scheme mem bers and 21 per cent of salary for existing members; because of the latter's need to pay for past as well as future service.

the human cost of a tadical cutin retirement ageefined as five years, for men at least depends upon enec-dote and "common sense." The TUC's evidence to the select e posed the the in order to provide job opportunities for another"; it then moved from the moral to the practical by suggesting that the removal of older skilled workers would be unwise at a time of continuing skill short-age, it referred to a DoE survey which showed that the sharp decrease of activity rates by older workers in recent years was largely due to high unemloyment, and concluded that older workers are being forced out of the labour market by redundancy.

It can readily be imagined that there is a still hig homan cost: the retirement of men and women in late middle age on pensions which allow them only to live in poverty. The TUC points out that elderly people are the largest single group in poverty in

An option which expensive

ants are pensioners people suffer the worst health problems and live in the least adequate. hous

adequate housing."
Thus, while the TUC supports the phased reduction of male retirement to 60, it does so only if pensions are adequate to secure an above the poverty Government, which sets out, in its select committée evidence. arially at 8 per cent a year (thus paying a married rate at 60 of 28.55; comments that "in the longer term there could be significant extra costs if the reduced pensions were merely to increase the number of retirement posioners within the scope of the supplementary benefit scheme."

It is clear, in sum that the early retirement option could be expensive and is certainly not cost-fre. Indeed it appears that any widespread early retirement scheme would actually mean only marginal gains

Men & Matters

By yon bonny Clydesdale Bank

Alick Macmillan may be stepping down as chief executive of Glasgow's Clydesdale Bank, but he doesn't seem in any mood to put his feet up. Although there are no immediate plans for him to succeed Sir Robert Fairbairn as chairman, Macmillan will stay on the Board when he retires

Richard Cole-Hamilton, now being promoted from general manager to deputy chief general manager, will by then have had five months to learn the ropes

at the top.

The chances are that there will be plenty to keep Macmillan busy at the Clydesdalethough there is the possibility of one or two outside directorships as well. He has in recent years "personally spearheaded the bank's assault on the oil community in Houston," in the bank's own words, as well as beavering away to push up the market share at home in Scot-

COLUMBIA

"Could you get me our merchant bankers ... and

a Coke! "



patrons a new deal Last year Apicella bought out his former partner's interest in the Meridiana restaurant in London's Fulham Road. Largely customers to join him in the Meridiana Holdings, which

owns the restaurant, is offering individual shares of £500 in the venture. Apart from the usual voting and dividend rights, the shares will also entitle the bolder to six meals a year at a not seen ACC's disaster movie 50 per cent discount—worth "Raise the Titanic"—though

the past few years, Apicella still tion from his former right-caters for some 50,000 hand-man Jack Gill. customers a year. He has plans to develop the restaurant's basement as a club for shareholders and guests. He first entered the restau-

rant business by designing La

Trattoria Terrazza in Soho for The Clydesdale has been owned by the Midland Bank for Mario and Franco and has since designed another 34 restaurants in London and the provinces as mat it remains Scottish at heart. (now Wedgies) in Chelsea.

That issue was thrown into particular relief by the debate over the possible sale of the Royal Bank of Scotland to non-Scotland t the possible sale of the Royal a journalist in his native Bank of Scotland to non-Scottish Naples. He came to Condon for a short visit in 1955, sold a owners, a prospect since blocked by the Government. poster design to Schweppes, and stayed on to make his mark. Indeed, one witness giving evidence to the Monopolies Comtoo, as a graphic artist and mission inquiry into the RBS

His impish sense of humour still lightly sauces the spaghetti. While Apicella talked to reporters at one end of the table yesterday, a lifelike wax model buried its twin droopingmoustached face in a newspaper at the other end.

Watered stock

Northern grit, staff at MFI's York store managed to open for business as usual earlier this month even when flood waters had all but brought the city to

And how did the good burghers of York respond to this noble gesture? Reservedly, I am afraid. The day's takings the 24,000-square-foot from to repay his bank loans on that store amounted to £8.95, deal, he is inviting up to 1,100 courtesy of the purchaser of a nest of tables.

Grade tradition

As Robert Holmes à Court. Lord Grade's new boss, was admitting that he himself had his children had-Lord Lew Though the restaurant's was at the Law Courts in the profits have declined during Strand fighting off an injunc-

> Grade set a new legal precedent by dancing a quick Charleston outside court number 17, before proclaiming that "work is the best medicine . . . it is a wonderful pill . . .

work is my excitement." Any thing else? Oh, yes-"I shall not retire until the year 2001." Holmes à Court, 30 years younger than Grade, confessed yesterday that he hoped to retire rather earlier than that.

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Source: OPCS, Series PP2 No 11

Rustle of springs

Not for the first time Ford Motor is recalling thousands of its cars in the United States. But it's not your typical recall." a company man loftily assures me. "It has nothing to do with their safety or hand-Ford wants to fix the front

suspension of about 10,000 of this year's Lincoln Continentals at \$12,000 apiece, Ford's answer to the Cadillac-because a couple of rubber insulators make an annoying noise." What kind of noise?

kinda hard to explain but I suppose you would call it a

Brief encounter

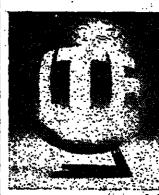
What the legal profession may get up to on its package holidays to Bangkok is really none of my business-but it does seem to have caused some irritation at the Siam Lodges Hotels group. Guests at the Thai hotels are

issued with a pamphlet of local fore, entitled "Suggestions for your Safety." Most of the suggestions are pretty routine stuff -keep the door locked, hand in your keys when leaving, don't carry too much cash and so

Ride 11 might, however, raise an eyebrow in El Vino's, "Please do not," it warns, " associate with solicitors around the

Or anywhere else, they might have added, unless you enjoy the sensation of being separated from large quantities of money in the politest possible way.

Observer.



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Northern Ireland power-sharing

Prior learns poker the Ulster way

By Margaret van Hattem, Political Staff

probably a chess man. He tion to go ahead now seems to Prior, as chief executive, would inclines more to the careful be based less on a feeling that retain ultimate control as well inchines more to the careful of oased less on a feeling that strategy anticipating his the time is ripe and the province opponents moves and adjusting ready than on a conviction that his game accordingly, than to things cannot go on as they are bluff and showdown. But he is any longer. The Northern how being forced to join a poker

possibly early next month, he is expected to unveil his solu- Just how big a change it will tion to the problem which has be is not yet clear. Mr Prior defeated so many of his pre- wants a system sufficiently flexdefeated so many of his predecessors — getting Northern-Ireland's Catholic minority and Protestant majority to work to-gether in a devolved govern-

In essence his plan is to set up an elected assembly with an independent, appointed execu-tive, and gradually to transfer power to them from West-

But the conditions for success look less promising than ever. After so many failed attempts, the province's bigger political parties have grown weak and discredited, leaving the elector-ate volatile and unpredictable. Mr Prior's proposals will almost certainly be criticised. possibly rejected outright by all the province's leading poli-ticians. Such is the suspicion in Northern Ireland that approval from one would force all the others to hold out for more con-

The Secretary of State will have to judge how far he can push the individual politicians and how far they mean what they say. More important, he needs to know how far he can push their supporters. The composition of the proposed assembly will be heavily determined by this second judgment. He the proposals go too far to and if weighted by what per-wards accommodating the Cath- centage, While the Government olics, he is likely to end up with an assembly firmly in the hands

he risks undermining support for the Social Democratic and Labour Party, still the main should have the right of veto. in style and tactics than in sub-reace of Catholic opinion, and So any proposed weighting is stance, the DUP being the more banding over seats to Provithese results could block any. Once the assembly was in further progress towards a place, so the current thinking

game that has been running ing so rapidly that ministers for many years feel the present political arrangements can no longer cards on the table. Soon serve even to maintain the status -quo

ible to bend before the almost inevitable battering from Catholies and Protestants alike the boycotts, strikes and walk-outs that have sabotaged all previous attempts—and to remain upright at the end. The elected assembly and appointed executive that he is expected to propose have been designed with this in mind.

with this in mind. The assembly will be the easier of the two to establish, since none of the main political parties believes it can afford to stay out of any elections in the province. So elections are likely, probably in late summer or autumn for an assembly of about 80 seats. Initially, it would discuss legislation and non-legislative measures, and set up committees which could summon civil servants and invite Ministers to be grilled on

a wide range of policy areas.

The enabling legislation would include provision for real power to be devolved later on. How much power will be one of the most difficult decisions facing Mr Prior in the next few

The enabling legislation would probably have to spell out whether the assembly would act-by simple or weighted majority. sympathises with the Catholic an assembly firmly in the hands minority, who claim that a of the Rev Ian Paisley.

Weighting of less than 80 per If they do not go far enough, cent may confine them to perpetual impotence, it is determined that no single party opinion, and So any proposed weighting is s to Provi likely to fall well short of Either of Catholic demands.

IF MOST politicians are by credible devolution of power goes, Mr Prior could proceed to nature either of the process for a long time beyond the term appoint an executive to take over the role of the present Northern Ireland Secretary, is . The Government's determinaas specific responsibility for key areas such as finance, security and foreign affairs. The other members would probably be appointed from the main parties represented in the assembly and, at least-to begin with a number of Westminster MPs such as some of the present junior ministers. Since the Government's aim is to provide real jobs rather than symbolic ones, the size of the executive might be closer to the present

team of six ministers than the old 14-member executive set up in the Sunningdale agreement. By leaving the door open to Westminster MPs or even nonelected members of one or other community in Northern Ireland, this plan would undermine the scope for Ulster politicians—such as the Unionists who still reject totally the idea of power-sharing at ministerial level—to wreck the executive by refusing to participate.

One of the most difficult

problems yet to be resolved concerns the possible transfer of the post of chief executive from the Secretary of State to a Northern Ireland politician, perhaps the leader of the majority party in the assembly. This immediately raises the question of guarantee that minority parties would continue to be represented in the executive. For the majority cannot be forced to share power with the minority, however much the Government may wish it were otherwise.

In dealing with the Unionist side, the Government must take into account both the Official Unionist Party (OUP). the oldest and still marginally the biggest of the five Unionist parties, and Mr Paisley's Democratic Unionist Party (DUP), which at the 1981 local government elections won more votes. though fewer seats, than the

The two parties differ more militant. Both currently reject any sort of power-sharing at executive level and are press-



role for the minority in parliamentary committees.

So far, the Government has ignored the DUP and consulted the OUP in discussion on devo-lution. But the OUP, in the throes of a leadership struggle and an organisational collapse. proving too weak to negotiate. Sooner or later. Mr Paisley will have to be brought into the process.

On the Catholic side, the

Government is also dealing with a weakened party. The SDLP. led by Mr John Hume, which has always been regarded as a rather middle-class party with a tenuous hold on the workingclass ghettoes at the best of times, saw much of its support slip away at the time of the H-block hunger strikes. While its stated preference is for either power-sharing or majority rule for the Unionists within a federal Ireland, it is likely to be encouraged by the present Dublin Government to ing for majority rule with a go along with Mr Prior's plans.

After 13 years of violence political stalemate and failed initiatives in Northern Ireland, Mr Prior's efforts are likely to meet with a fair amount of scepticism. But this time around, there appear to be three new elements. First the Anglo-Irish council, which provides a version of the "Irish dimer-on" essential to the Catholic minority. Secondly, the concept of an "unboycottable" institutional framework to minimise the threat of the type of Unionist wrecking tactics which destroyed the 1973 Sunningdale power-sharing agreement. Finally, the frustration of the Unionist community after a prolonged period of political impotence. Whether these new factors will be sufficient to hold in place whatever Mr Prior proposes is highly uncertain. But somewhere out there on the rapidly-accelerating Belfast-London shuttle is a novice

poker player who is learning the

Corporation Tax

Why there ought to be a cash-flow tax

By Jeremy Edwards and Colin Mayer

CORPORATION TAX has once again become a controversial issue following the publication of a Green Paper this month. The Green Paper reveals a preference for maintaining existing chaotic arrangements and a hostility towards proposed alter-natives. Some of its criticisms of these alternatives are well founded; for example, correctly details the deficiencies of a current cost accounting base for tax. But its evaluation of the Meade Committee's proposals for a cash flow tax reveals serious misunderstandings of the committee's recommendations.

A cash flow tax thereafter CFT) has one overriding advantage—its simplicity. It taxes companies on the difference between their receipts and their payments whether on current or capital items such as investment in plant and machinery and thereby avoids all questions regarding the appropriate definition of profits. These net earnings are used to make dis-tributions to the investors in the firm and the CFT can therefore equally well be regarded as a tax on the net amounts that investors take out of their company. There are two alternative definitions of distributions: the first, described by the Meade Committee as the "R" base, includes payments to all investors, whether holders of debt or shares". The second, the "S" base, excludes debt and restricts the tax to net receipts by shareholders (dividends less new equity issues). There is no obvious case for excluding payments to holders of debt so that we would strongly favour the all inclusive

R" base. The most compelling reason for adopting a CFT is that it avoids the complexities and distortions of the present system. Our existing corporate tax legislation is a monster that has grown out of ad hocattempts by governments to encourage certain activities. while at the same time correcting serious problems arising from inflation. The net result is tax legislation strewn with anomalies which encourage companies to invest in buildings in preference to vehicles but not in preference to plant and machinery. It provides no

incentive at all to one-third of the corporate sector which will not be liable to tax for the foreseeable future as a result of tax losses carried forward. A cash flow system avoids these distortions by making all forms of physical investment tax deductible and thus leaves the investment decisions of firms to commercial instead of tax considerations.

Secondly, the CFT solves the seemingly insuperable problem of inflation at a stroke. Companies would be taxed on the basis of net current earnings only and no correction would thus be required for profits on capital. In particular, by valuing receipts and expenditures at the date of transactions, a CFT does not involve the revaluation of historic cost investments and accumulated stocks. Furthermore, by taxing cash flows as opposed to future capital earnings. it avoids the liquidity difficulties that have afflicted

6 Our existing corporate tax legislation is a monster that has grown out of ad hoc attempts by governments to encourage certain activities 9

profits taxes and ensures that the tax burden falls on companies that can afford to pay in the current period.

The Green Paper raises two fundamental objections to the CFT. First, it estimates that in order for the tax to raise the same revenue as at present. the tax rate on net payments to shareholders (an "S" basis) would have to be set at 200 per cent. The problem with the Green Paper's calculation is that it assumes that the present system raises revenue at the rate of 52 per cent of profits. With tax allowances on capital expenditures, stock relief, etc. this is far from the case. For the years 1976 to 1980 the effective rate of corporation tax both (excluding

corporation tax which is clearly a personal income tax on share-holders and company investmately 11 per cent. To raise the same revenue an "S" base had to have averaged 69 per cent, approximately one-third of the figure quoted in the Green

The, Green Paper's main objection concerns the integra-tion of a CFT into the existing income tax on persons. It refers to the problems of allowing companies to accumulate investments tax-free while unincorporated traders or individual investors who wished to make similar savings would have had to do so out of income might reach 75 per cent. However, under the present system of tax capital allowances apply equally to both companies and unincorporated businesses and there is no suggestion in the CFT proposals that unincor-porated firms should be deprived of such allowances.

Similarly, individual investors can make tax-free savings in pension funds, life assurances and housing under the existing personal income tax system. It might be felt that there was no reason to restrict the forms in which individuals could make tax-free savings to these three types of assets. We would certainly agree with this view. as such an extension of the forms of tax-exempt saving for 1 individuals would be a significant step towards a personal expenditure tax, a development that we would warmly welcome.

Overall, the objections that the Green Paper raises to the CFT and its integration into the existing tax structure do not appear very persuasive. In fact we would argue that the present corporation tax already incorporates many of features of the proposed CFT but in an unnecessarily complex and distortionary form. Far from being a radical departure. a CFT would be a logical simplification arrangements.

Jeremy Edward's and Colin Mayer are Fellows of St John's College, Cam-bridge, and St Anna's College, Oxford, respectively and Associate Fallows or the Institute for Fiscal Studies.

Letters to the Editor

ASLEF's reasons for disruption on the railways

From the General Secretary, ASLEF

Sir. - The British Railways Board has overstepped the boundary between fact and fiction in its campaign to mislead the public about the background to the current dispute.

Its latest advert, entitled on productivity. Broken Promises," clearly ime plies that the board was unaware of ASLET's position on tion absolutely clear at a meetthe maintenance of the guaranteed eight-hour-day agreement until November.

In fact, I spoke to the board member for personnel by telephone in the presence of others. on August 24, shortly after the ACAS understandings were concluded to inform him of the decision by the ASLEF Execu- It is therefore nonsense to tive Committee accepting the suggest that the board had any two separate understandings on pay and productivity and reiterating the policy, determined by the membership, of maintaining the guaranteed eight-hour

maintenance of the eight-hour day was not considered by the board at that time to invalidate either the agreement on pay, or the general commitment to talk

On September 2 ASLEF representatives made their posi-

. cerned.

The board's subsequent ratifi- ductivity required our accept-cation of the ACAS understand- ance of the board's proposals on ings in two separate minutes of variable rostering, dates from 9, Arkuright Road, NW3.

the Railway Staff National Council on August 27 is clear proof sioned by the decision by the that the society's policy on the National Union of Railwaymen

ing of the Railway Staff Joint Council (Locomotive Section). As the agreed minutes state: The ASLEF representatives indicated that the principle of retaining the eight-hour guaranteed day was a fundamental one so far as their society was con-

doubts about ASLEF's position: The board's sudden conversion to the idea that the two ACAS understandings were conditional upon one another, and that the understanding on pro-

to accept flexible rostering for non-footplate grades - no doubt seen by the board as the ideal opportunity to isolate footplate staff from their working col-leagues. Not until December 17 did ASLEF receive any indication that the board would not be prepared to pay the 3 per cent increase due to footplate staff in January.

BR's willingness to reach an agreement on productivity acceptable to all parties must be judged from its refusal to continue negotiations within the terms of the ACAS understandings. 'The Board's insistence on the abolition of the guaranteed eight hour day is a calculated and unnecessary act of provocation in defiance of both the letter and the spirit of the ACAS understandings. It is this shabby piece of confrontation by the Board that has caused the present rail dispute.

Ray Buckton

Royal Bank of Scotland.

Davy International, and now

In each case permission for

the hid to go ahead was refused.

The reasons were: Serck, some-

what ironically had monopoly problems with both bidders; Davy, the "British" interest;

and Royal Bank, the "Scottish"

The Monopolies Commission pronouncements seem extra-ordinarily spurious, unconvinc-

nately as things stand there is

agent will charge anything between £50 and £80 just to bring the 2 kg package into the UK. And the airlines "Fine, but make sure you have it picked up at Heathrow." No consolation that the same length limitations apply when you try to mail packages to Albania, Bulgaria and Italy. Why so difficult? Christian Estrup. P.O. Box 218,

Denmark.

Equal opportunities for Poms and Aussies

From Mr Richard D. Johnson Sir.—The bid by Australian Robert Holmes a Court for ACC highlights a little-publicised double standard.

A British company bidding for an Australian company must get the consent of the Australian Foreign Investment Review Board for any holding over 15 per cent. This is an unwieldy process designed to impede any take-over more especially since any objections, however spurious, by the Board of the "victim" are taken into account.

By contrast, Mr a'Court builds up a stake and bids for ACC with impunity. Why doesn't the British Government demand reciprocity either by demanding equal treatment for British companies seeking opportuni-ties in the Australian market or apply similar restriction to Australian predators operating in Britain Richard D. Johnson.

24, Schubert Road, SW15.

From Miss Louise Bloch

no remedy. Dare I nope that one day the "Surrey" interest will A tight-rope without a net

Sir.—Barelays Bank consider me eligible for a Barelaycard, I have just started my first job. It does strike me as quite indefensible that a bank should encourage me, and others like me, to horrow up to £5,000 at the exorbitant rate of 23.8 per

Surely it would be more responsible if banks offered young people a higher rate of interest as an inducement to

Is it unreasonable for my generation to expect a modicum of communal responsibility from banks or should we recognise them as usurers, who guide young people on to a tight-rope without a net? 11 Hocroft Avenue, NW2.

yet understood that the railmen are landlocked. A forwarding Now Open in Bahrain, WAKO SECURITIES CO., LTD. **WAKO SECURITIES is** on the spot to offer personalised advice on investment opportunities in Japan General Manager and Chief Representative: Mr. Michisada Tomotake

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Doubling the fares in London

From the Rev C. Stables
Sir. I do think that a newspaper of your standing ought to realise how very misleading it can be to report things by percentages. I refer specifically to your report (January 9) about London travel fares, saying that they will have to double. So they may but if so, in many cases they will still be less than fares in September last, though no one would understand that from your headline and article.

Until the recent cuts I paid 50p from Victoria to King's Cross by Tube, and since then Double that and I shall still be paying less than last September. How misleading can you be? (Rev) C. G. Stables.

Egsons Green, Framfield, Uckfield, Susser

Lord Grade's departure

From Mr Spike Milligan. entertainment world will be de own a small number of shares in pressed at the forced resigna three companies which have tion (for forced it was) of Lord been the subject of takeover bids been the subject of takeover bids

only left it when they realised one third of the value of the "UK, sorry no" with a pitying television was the coming thing, original AE bid in real terms), look that the inquirer has not

OK so "Raise the Titanic" lost a lot of money. I ask you what company doesn't? What about British Leyland? At least Sir Lew never went cap in hand begging for money it was always on a business basis. What other Chairman would you find at his desk at six and seven in the morning? Of course, interest he gave a large golden hand-shake, he was a big man, he

still is a big man.

Holmes a Court has got the
Company, not because he is ining and high handed to one who has seen the value of his proterested in show business, but perty reduced in value by any-because he is nothing more than thing between one-third and thing between one-third and two-thirds as a result Unfortua business magnate. I am appalled at the short

memories of the world of fin-

This man could have made it again and again if he was just given breathing space. Spike Milligan, Orme Court.

Shareholders' loss over takeover bids

From Mr F. Moseley. Sir.—I have had the mistor-Sir. Many people from the tune over the last four years to three companies which have It was Lew and Leslie Grade's companies were Serck (referred variety years. But for them it unreferred bid by a third com-

evail? F. Moseley. 30 Somertille Road, Cobham, Surrey. Viking swords

stay in Denmark

From Mr Christian Estrup

Sir,—If a Viking in Denmark were to send a nice sword to his uncle in England, no problem. When, however, a few years later, one wants to forward a parcel that by necessity exceeds one metre in length (to be exact 1.28 metres) from the Continent referred by the Government. The companies were Serck (referred surmountable task. The postal agency which helped hundreds twice, after approaches by AE authorities say Tee long." not of "us thring" the post war and then Rockwell: finally an a chance. The railway people wariety many Three Posts war "Yes, we send to all countries." would not have existed. They pany, BTR, succeeded at around Further challenged, they add

half rise at British Land

DESPITE interest charges increasing from £4.88m to £5.63m, pre-tax profits of the British Land Company rose from £1.66m to f2.4m in the half-year to increase first-half taxable profits September 30 1981. After tax from £4.97m to £7.12m—a rise of up from £58,000 to £71,000, 43 per cent. : attributable profits emerged at £2.33m against £1.6m.

The directors say that with the company's continuing low level of indebtedness and substantial cash resources and facilities, it is well placed to promote its business throughout the world.

They say cash and securities exceed short-term debt. leaving the company comfortably insulated from the vagaries of interest rates. In balance sheet and income terms, the group is in a strong position.

Trading profits for the halfyear are not always indicative of the year as a whole, and the trend of improvement should not be taken as a basis for the full year's results, they say. With the continuing increase

in net rental income, it is the board's intention to recommend a doubling of the dividend for the year from 0.25p to 0.5p.

Espley-Tyas better than forecast

FOR THE year ended September 30, 1981, Espley-Tyas Property Group has turned in a pre-tax profit of £2.28m, which compares favourably with the forecast of not less than £1.6m given in last February's prospectus at the time of the placing. Comparative figures for the

previous period, during which the company was dormant, are not given. The board considers they are not meaningful following the formation of the group in its present form some 11

The board says that much progress has been made in the year in the formation and development of a group with substantial property and construction activities. With the quality of secured property projects and awarded construction contracts, further progress is expected during the current vear.

Turnover for the period to end September was £29.65m. Stated earnings per 25p share were 10.6p and a dividend of 2.31p per share is recommended.

Tax took £203,000 and minorities accounted for £308,000. Extraordinary debits, largely comprising capitalised items, totalled £1.01m and the dividend absorbs

£0.7m first MFI's profits jump 43% but second-half caution

DESPITE CONTINUING lack of consumer confidence which has affected turnover of MFI Furniture Group during the six months to November 28 1981, a significant increase in profit margins enabled the group to increase first-half taxable profits 43 per cent. However, Mr Arthur Southon,

the chairman, says that caution must be expressed about trading in the second six months. First-half turnover was down from £90.05m to £84.87m and since the end of November, sales—includ-ing the first three weeks of the New Year sale—have been below expectations and severely affected by the exceptional weather conditions.

This recent bad weather will year full year figures says Mr

affect full year figures, says Mr Southon, who estimates that as a result, the group has lost between E5m-f6m of sales. Also its January sale is being extended by another three weeks.

The chairman attributes the bibbs another three weeks. higher profit margins to a re-duction in overhead expenditure and a small improvement in trading margins, together with the effect of the closure last year of unprofitable small stores in areas where the group still remains adequately represented. tinues to give priority to the con-trol of expenditure and margins which has produced positive results at the interim stage. The

chairman describes the figures as "encouraging."

The interim dividend is being maintained at 1.1p net per 10p share. The final will be looked at in the light of the full year's re-

DIVIDENDS ANNOUNCED Current Countryside Props 2.45 Espley-Tyas Property ... 2.31 Estates Property Inv int 2.75 Everards Brewery 4.5 Group Investorsint 1.1 March 5 1.1 MFI int 1.1 April 2 1.1 — 2.62

Westpool Inv int 0.34 March 6 0.34* — 1.111*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Excluding special

sults but Mr Southon hopes that -last time the final was 1.52p. Progress continues to be made in the branch development pro-gramme. Seven stores were opened during the half year, in-cluding two in Eire. Six stores were relocated to considerably improved positions and three were closed. At the end of the period, the group was trading from 120 locations with a total area of 2 fm source feet. area of 2.6m square feet.

The average number of stores during the six months fell from 135 to 117, although selling space was increased. The main thrust of the group is still in the south east, although it is also looking at the Manchester area. Four new stores are planned in the current period, two of which are relocations.

Capital spending will be sub-stantially lower, but spending on advertising will remain at around 5 per cent of sales. First-half profits were struck

before more than doubled tax of £1.6m (£725,000) and last time. there was an extraordinary credit of £372,000. The retained surplus emerged at £3.64m, com-pared with £2.75m. Earnings per 10p share advanced from 2.49p to 3.24p.

In current cost ferms, pre-tax profits were ahead from £4.72m to £6.78m.

The group has arranged store-in-store facilities with several outside retailers. Harris Carpets has taken space in six outlets and Brentford Nylons is selling through 16 stores. Each company is planning to operate through a further 10 stores within the next two months and MFI is exploring a similar ven-ture with Staffordshire Potterles

and a lighting supplier.

Mr Southon, estimates that the store in store operators, who have signed short-term contracts, can contribute about fim to

U.S. important to Stenhouse

insurance premiums being gene- already achieved a saving in rated in the U.S., Mr Herbert Houghton, chairman of Steuhouse Holdings, tells members it is vital the group is strongly and effectively represented there.

Mr Househton says that if the Divestment Clause, within the proposed Lloyd's Bill is enacted Stenhouse, he says, already has good geographical coverage, with a significant position in the market, and "our policy remains to continue growth and to make

our activities more profitable." He points out a 25 per cent increase in the U.S. companies' gross income in 1981, adding that as volume grows so will the capacity to absorb the development and acquisition costs.

He states in his annual review that the group's most directly significant development during 1981 was the expansion of its Llord's underwriting agency activities; four companies were acquired for £3.1m cash and involved the merger with Reed Stenhouse's existing Lloyd's underwriting subsidiary.

"In combining these companies, we have expanded and

The unaudited pre-tax profit for the

Taxation for the half-year is estimated at

The improvement in the performance of

£303,503,000 (1980 £240,626,000) an increase of

half-vear ended October 9th, 1981,

£14,798,000. Turnover for the half-year was

26%. An interim dividend of 5.06% net of tax

(previous year 4.6% net of tax) will be paid on

February 15th, 1982 to shareholders on the

Register of Members on January 15th, 1982.

Decca continued with sales of Capital Goods

increasing from £66,000,000 to £93,000,000 (plus

to £5,273,000 (previous year Loss £5,211,000).

increased by 24% but as a result of intensive

competition the previously good profit margins

were eroded considerably. The contribution to

profits therefore was substantially lower than for

the previous year. However the second half of this

record levels.

41%). The contribution to pre-tax profits amounted

outstanding half-year with both sales and profits at

The Radio Communications Group had an

Sales of the Data Communications Group

amounted to £38,436,000 (1980

£26,525,000) an increase of 45%.

expenses and we expect further savings to be made.'

as presently worded, it would mean that the group's Lloyd's underwriting agency companies "would require to be separated from the group within five years of the Bill receiving the Royal

He adds that there is considerable opposition to this Clause and in view of the group shareholding and management structure, the directors consider it "quite inappropriate that its terms should apply to us."

In conjunction with the Continental Corporation, Stephouse recently launched a life assur-

ance company, Continental Life, in which Reed has a 50 per cent interest. This company has been established, the chairman says, to suit the needs of UK life and pensions brokers. As reported on December 17,

Racal heads for 27th

consecutive record year

per cent from £7.74m to £8.73m and the total dividend is lifted to 5.1p (4.65p) net per share

with a final of 3.28p.

Reed Stenhouse, in which the group has a 53.7 per cent interest, increased its taxable surplus to £15m, against £13.27m, with results benefiting from exchange rate movements during the 12 months.

Net assets attributable to Stenhouse amounted to £35.5m (£31.23m) at the year end com-prising; insurance broking (53.69 per cent) £27.8m (£23.72m), and other interests £7.7m (£7.51m).

YEARLINGS

The interest rate for this week's issue of local authority bonds is 151 per cent, down a quarter of a percentage point from last week and compares The bonds are issued at par and are redeemable on January 26, A full list of issues will be

financial year will show an improvement in the

and the underlying trend of business in the

profit margins of the Data Communications Group

remaining activities continues to be encouraging.

that, subject only to circumstances beyond

their control, the results for the full year to

31st March, 1982 will be very satisfactory

and will prove to be another record - the

Five year comparative summary

Turnover

£000

89,886

99,894

112,916

240,626

303,503

27th in succession.

Half-year

1977

1978

1979

1980

1981

The Board are confident therefore

AGB climbs to £2m A 63 PER CENT leap in profit

from marker research and information systems activities enabled AGB Research to push first-half pre-tax profit up from £1.46m to £2.04m on turnover f3.34m ahead at f18m. The net interime dividend is being stepped up from 2p to 2.3p on capital increased by the May

rights issue.
The company says that seasonal factors, which bring in more revenue in the final quarter, are likely to produce a generally satisfactory outturn

Mining and Bids on Page 26

for the year. Last time the full-year total rose almost firm to a record £3.86m and 3.5p was distributed.

distributed.

During the six months to October 31, 1981, pressures on circulation and advertising revenues hit the publishing side where profit slipped from £454,700 to £410,000. The market research division's continuition however, reached tribution, however, reached

comment AGB's shares took on 70 yester-day to close at 277p. The group remains on course for 15m this year which gives the shares a rating in the high 20s. It's not hard to find the sex appeal in market research — prospective satellite and cable TV systems will all need extensive research will all need extensive research services before setting up. AGB is now well spread internationally and with an ungeared balance sheet continues to pursue an active acquisition policy. The shares, however, gain considerable strength from AGB's position as the only publicly-quoted company in its field in the UK. It remains to be seen whether this energetic company's management can keep a pany's management can keep a firm hand on a group which has more than doubled its net worth in just two years. The prospective yield, assuming a similar rise in the final, is just over 3 per cent.

Westpool pays same interim

AVAILABLE revenue dropped slightly from £692,000 to £686,000 for Westpool Investment Trust for the six months ended October 31 1981 after tax of £335,000, against £328,000.

The interim dividend is being maintained at 0.344p per 25p-last year's total was an equivalent 1.106p before a special payment of 0.639p in connection with the acquisition of London Merchant Securities. Earnings

is £493,371 which includes the

Allied Residential will not meet profit target'

BY IAN RODGER

Allied Residential has reported disappointing interim profits Share Issues sponsored by Tring Half Is Companies to seek other and advised shareholders that since April 1979 advisers. Trust Securities, for the film profit forecast for the year to March made at the time of the stock market flotation last May will not be met. Mr Michael Heathcote, chair-

man, said demand for residential Components
Baker Electronics
Trust Securities
Thames Investments
Heelamat
Euroflame housing dropped dramatically last autumn as interest rates rose. Then the severe winter weather made things worse. There have been virtually no sales in the past two months because of the weather. We had

budgeted to sell 300 bouses in the full year but we will be very lucky to sell 200."

The group was formed last spring to acquire the residential 163 (2). I listed on the Stook Exchange:

spring to acquire the residential property interests of Alited Plant Group and Thames Investment and Securities.

Pre-tax profit in the first half was £150,000 after finance charges of £216,000 administrative charges of £47,000 and a pre-acquiration loss of £28,000. Tax took £19,000. Turnower amounted to £3.56m. the group in a strong position to take advantage if there is an upturn in the market.
Allied's failure to meet its profit forecast is another setback for Tring Hall Securities, which sponsored the placing last May. In recent weeks, two Tring

anounted to \$3.56m.

The directors have declared the forecast 1p interior dividend; the prospectus also anticipated a 1.45p final dividend.

The directors said the group's contracting division would cease operations, resulting in substantial economies. While higher stocks than normal for this time

the recent decisions of some of example has moved to Antony Gibbs while Heelsmat nad Allied Residential have also dropped. Tring as an advisor but have not vet appointed a replacement.

Mr Chris Bakes a Tring
director, agreed that the recent
setbacks have hurt the houses

reputation.
There is nothing we can do about it until these things are flushed out. I honestly can't see what else there is to flush out. in bringing issues to the market just before the economy took a very bad turn and pointed to the fact that reputable accountthe fact that reputate acrounding and legal firms had been used in preparing prospectuses and forecasts. Ernst and Whitmey and Trayers, Smell, Braffingthe examined Allied Residential, Simons Cohen Fine and Co. and Cardales, reviewed

Eurofisme.
"I don't think I'll ever put my signature to a profit forecast ever again," Mr Baker said. reported difficulties. Both have difficult time in 1981 but we're tumbled into loss within a year company and its shares are of being floated. Eurofiane, like traded by private treated by private treated forecast which will not be met.

Hickson & Welch: better trend

of year were being held, this put

sponsored companies on the United Securities Market, Stanetco and Euroflame, have reported difficulties. Both have

NO MORE than a modest incprovement is expected in the troubled chemicals division at Hickson and Welch (Holdings) in the coming year, and even this will depend on costs being contained. But a further advance in profits is anticipated from the group's other major activity of timber preservation.

In his last annual statement before retirement as chairman Dr T. Harrington says that because of present conditions his report is "inevitably tinged with caution" but the group has-both the potential and capability to take advantage of any new

Looking at the chemical side, which for 1980-81 dived from pre-tax profit of £2.67m to £1.1m with losses in two of its three subsidiaries, Mr Harrington points out that the weak chemical market has prevented increased costs being recovered through higher selling prices. He points out that even when the recession is over demand in the UK for some of the group's chemicals will be less than that enjoyed four or five years ago.

While world demand for reported as 61p (same). While world demand for The group's share of the LMS chemicals will continue to grow, dividend—£826,000 (£688,000)— a much larger proportion of these products is now made abroad,

> dards are often lower However the group has a toehold in supplying intermediates to pharmaceutical and agro-chamical outlets which the outlets which directors expect to remain a growth area: "We are stepping up our efforts in these fields and we have identified scope for ex-Overall capital spending was

down from £4.2m to £3.4m last the timber preservation com-panies but no major new projects As reported January 8, group

taxable profit for the year ended was down £294,000 (up £1.79m) with cash up from £1.31m to £1.59m and bank overdrafts at Exports were marginally higher at £29.3m (£28.6m).

At year-end cash net liquidity

Japanese seek U.S. coal mine

ROM Tokyo it is reported that apan Coal Development appears to be favouring the joint devel-opment with U.S. interests of steaming coal prospects in America's mid-west.

The Japanese company, which was set up two years ago, has received a number of joint develpment proposals from American mining companies. It now seems to be particularly interested in the proposed opening up of the Coral Canyon mine in Wyoming Company officials decline to go into detail, saying that signi-ficant negotiations have not yet started, but they concede that proposals from the Coral Canyon and other mines are worth

rious consideration.
Rocky Mountain Energy, a
nion Pacific Railroad subsidiary, bus offered to sell a 30 per cent equity interest in Coral Canyon, depending on the Japanese company's commitments to taking production from

the venture.

The U.S. company has completed a feasibility study and has told the Japanese that it would send officials to Tokyo late this month for a technical briefing on the study.

Under the proposed plan the coal mine would start production around 1985, with an annual out-put of more than 2m tonnes for shipment to Japan

Subment to Japan.		
SPAIN		
	Price	
January 19	7	+or-
Banco Bilbeo	350	+7
Banco Central	356	+8
Banco Exterior	316	+2
Banco Hispano	323	
Banco Ind. Cat	115	73
Banco Santander	366	'+4
Bonco Urguijo	219	
Banco Vizesys	387	+12
Banco Zaragoza	227	12
Drogedos	147	+7
Espanole Zinc		.T /
Fecse	61.5	÷0.5
Gal. Preciados	43	,TU.5
Hidrola	66.7	-0.3
(perdueto	54	-0.5
Patrolage	85. 5	3+3
	63,5 68	,TJ
Petroliber	35	-2
Segafies	30	-2
Telefonics	# 7	707

September 30, 1981 slipped from £6.48m to: £6.28m on turnover of £90.9m (£93.3m) but the net dividend was held at 7.5p. Interest costs were halved but there was a \$2,98m loss at Hickson and Welch Lid after £0.15m redundancy costs and a £0.55m write-off on plant.

The decline on the chemical side was partly offset by a rise from £3.05m to £4.06m pre-tax on sales of £33.89m (£28.87m) on timber products, and from £241,000 to £505,000 on sales of £15.7m (£16.3m) from building materials. Intercompany sales amounted to £15.57m (£11.92m). £1.07m (£485,000); Apart from a higher working capital require

ment ne significant increase in borrowing is expected in the current year. An analysis of sales and profit, before investment income, on a geographical basis shows in

£000s: UK £67.622 (£75.170) and £3,122 (£3,952); South Africa £9,314 (£6,078) and £894 (£678); New Zealand 7,924 (£6,341) and £922 (£655) and South East Asia £8,013 (£5,707) and £732 (£678). At December 31 Knwait Investment Office held an 8.6 per cent interest, Britannic Assur-ance 6.85 per cent and Prudential Assurance 5.82 per cent.
Meeting: 140. Buckingham
Palace Road, SW on February 11.

at 11.30 am.

EURO	PEAR	l OP					3E
Series	Vot.	Feb.	Vol	lay Last	Vol	ig. Last	Stock :
GOLD C \$4 GOLD C \$4	75 — 50 — 75 22 00 10 25 —	18 5 2 3 8 8 85 72	14 63 14 3 60 42 108 23	17 9.40 5.50 2.50 8 14.8 28 48.8	1 24 8 5 33	#7 	\$576 # # # # # # # # # # # # # # # # # # #
C F.105 C F.107.50 12 NL 81 85-88		020	60 15	2,80)	=	F.105.40
C F.100 P F.100	20 20	0.20	- 7	1,20	515	1,50.	F.101,70
10% NL 80 86-9 C F.97.50 P F.98 P F.97.50	1.=	作割		1.70 }		.=.	F.95.40
HEIN C F. HEIN P F. HOOG C F.77	25 305 50 — 50 29 26 97 55 5	2.90 1.50 0.30 -1 5.10 -1 0.50	52 5 7 1 1 2 4 5	2 1 	111111111111111111111111111111111111111	Oct	F.52 F.52 F.50.40 F.16.80
KLM C F.1 KLM P F.2 NEDL C F.1 NEDL P F.1 NATN C F.1 NATN C F.1 PETR C F.550	28 68 50 68 50 72 00 72	11.50 A 6.30 3.20 2.20 1.10 1.50 5.30 1.50 2.50 2.50	5 - 1 3 - 30 132	7 A 5	[- 8]] 5 6	7.40 7.40 11 8,50	F.152.50 F.169.30 F.460
PHIL C F.17.1 PHIL C F.22.1 PHIL C F.22.1 PHIL P F.2.2 UNIL C F.12 UNIL C F.12 UNIL P F.14 UNIL P F.14 UNIL P F.14	50 40 20 265 50 125 55 120 20 34 50 37 60 148 70 97 60 36 60 36 60 36	2.40 0.80 0.50 1.10 5.50 2 0.60 	224 282 	2.70 1.10 5.50 0.90 5	168 20 10 10 10 11 11	1.60 0.70	F.81.70 F.81.80
MANN C DM.1 TOTAL VOLUME A=Ask	FO ON CONT	8b. —	40 (May 5.50 1758 C=Cell		Aug. 	ЮМ 44_8

M. J. H. Nightingale & Co. Limited

//28	Lova	t Lane London EC3R 8EB	(elephy	ле 0	I-62j	121
198	1-82				P/I	
Kigh	Low	Company Price Change	Grose	Yleid		Fully
120	100	ARI Midae 10a Civil and	. uler (e)	-	4CLUA!	re sa
75	62	ABI Hidgs. 100c CULS 120 + 1	10.0	8.3_		
51	33	Armitage & Rhodes 48				
201	187	Barden Hill	4.3	9.3	38	. 8.7
104	82	Gerdon Hilli	8.7	4.8	-9.8	-11.5
129	97					
73	39 :	Frank Horsell	5.5	5.0	ns.	23.7
78 .	46		142.00	2.3	3T-7	.: -
102	93	IPC			· ;=	
105	100	ins Comy Pret 105	7.3	.2.	0.0	÷m,
113	95		15.7			
130	19B	James Burrough	4.0	-1.4	3.0	6.8
334	250		31,3	42 6 .	6.5	100
59 .	- 61	SCRITTONS "A" EE	2.0	22	7.5	9,6
222	167	Torday & Carlisla 187	-5,3	2.0	· 0.21	1
15	10	Twinlock Ord. 43	10.7	-	2.4	9.5
80	66	Twinlock 15pc ULS 74			a a a a	
44	29	The state of the s				
103	76	and the second s	3.0	W-3	- 5.Z	.5.6
263	212	W. S. Yestes	- 24	4.4	.040	- 6.5
		Prices now evaliable on Prests pe	13.1	9-7	_M.L.	

THE TRING HALL USM INDEX 115.1 (+0.5) close of business 19/1/82 BASE DATE 10/11/80 100 Tel: 01-638-1591

CORAL INDEX Close 544-549 (#12)

OIL INDEX

Racal Electronics Limited, Bracknell, Berkshire

Pre-tax

profit

£000

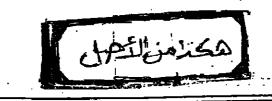
19,398

24,323

25,263

26,525

38,436



Countryside profits rise 45% to £1.3m

FULL YEAR pre-tag profits of ments, of which two office schemes are nearing completion.

45 per cent from 1963,000 to It is hoped that a further two 13.32m, confirm the directors' retail shopping schemes will be 45 per cent from 1903,000 to it is hoped that a further two retail shopping schemes will be included a second half contribution from continerate because the continerate becau

meluded a second-half contribu-Jon from consistered property agreed for the purchase of development.

And as forecast, the final dividend is increased to 2.45p.

Against 2.1p. lifting the total to 3.85p (3.5p) net per 25p share housing market generally, the housing division continues to achieve a reasonable level of business, with the group's part-

Mr. Alan Cherry, the chairman, exchange and mortgage subsidy incentive schemes continuing to progress in the current year.

After six months the faxable

After tax of £99,000 (£90,000)

During the year two large supermarket schemes were completed and sold, and the group is currently, involved in a number of other commercial develop-

business, with the group's part-

compared with \$753,000.

Tornover for the year return on shareholders funds of expanded from \$14.5m to 16m and the pre-tax figure was after year end were reduced from \$25.000 to \$24.4m.

During the compared with \$253,000.

earnings per share are shown as \$20.3p (13.6p) representing a return on shareholders funds of \$25.5m to \$25.5m.

The retained by the compared with \$25.5m. surplus had fallen to £407,000, earnings per share are shown as compared with £753,000.

20.3p (13.6p) representing a

Insurers declare higher bonuses on life policies

Scotland, a member of the Dutch assured and attaching bonuses Nationale Nederlanden Group.

Scotland, a member of the Dutch assured and attaching bonuses is equivalent to £5.034 per cent on a three-year basis. The com-Nationale Nederlanden Group. For individual life and pension contracts, the rate applied to the sum assured is maintained at £4.50 per cent, but the rate year declaration is made for the applied to attaching bonuses is period to December 31 1983.

raised by £1 to £5.50 per cent. Such an increase has its greatest effect on the longer-term con-tracts. For policies taken out before October 1970, the bonus rate is increased by £1 to £6 per cent of the sum assured only.

On self-employed and new code pension policies the rate applied to the basic annuity stays at £4.75 per cent, but the rate applied to attaching bonuses rises £1 to £5.75 per cent. The rises on pre-October 1970 con-tracts is lifted by £1 to £6 per

cent of the basic annuity.

However, the capital and retirement bonus rates paid on death or maturity claims or when the pension commences is main-tained at the 1980 level of 35 per cent of attaching bonuses for October 1970 contracts and 20 per cent of attaching bonuses for

bonus have been declared for of triennially. Thus the present 1981 by the Life Association of rate of £4.80 per cent of the sum pany intends to move to annual declarations after the next three-

Higher rates of reversionary and terminal bonuses have been declared by the National Farmers Union Mutual Insurance Society and its subsidiary, Avon Insurалее Сопрану.

The new rate for NFU life and endowment assurance is improved 40p to £6 per cent of the sum assured, while for Farmers pension policies it is lifted 50p to £9 per cent of the

Terminal bonuses in 1982 for assurances will be 20 per cent. plus 1 per cent for each year prior to 1980 applied to total bonuses. Freviously, the 1 per cent applied for each year from 1970. On farmers Pension Policies the rate is 60 per cent plus I per cent for each year prior to 1980, of total bonuses. The 1 per cept is a new addition.

Avon has lifted its reversionary bonus rate for assurances by 40p others. to £6.60 per cent of the sum Clerical, Medical and General assured by and 50p to £9 per Life Assurance. Society is cent of the basic benefit for perincreasing its intermediate bonus sonal pension contracts. The rates by keeping the level terminal bonus is the same as unchanged but compounding for the NFU.

British Cinematograph loss ALTHOUGH British Cinemate against a surplus of £13,393.

graph Theatres improved its In accordance with the group's turnover marginally from accounting policy no provision fl.91m to fl.93m, excluding for deferred tax was made as VAT, for the six months to July no hability is expected to arise 31, 1981, the company felt into in the foreseeable future. No the red for the period incurring rental or development expendi-a pre-tax deficit of 259.281, ture was included in the figures compared with a profit of

Turnover in the second half has also improved, but the directors wern that pressure on margins is continuing and despite efforts to raise profitability a further loss is expected for the six months to January other expenses and to overcome 31. For 1980-81 pre-tax profits the reduction in gross margins dropped from £86,238 to £20,120. resulting from intense competi-The taxable loss for the first tion, the economic recession and half was after depreciation of stock losses due to fluctuations £15,107 (£14,320) and included in the value of sterling.

in relation to the Sperry Univac computer which has still to become fully operational.

The directors point out that the increase in turnover of Dollonds Photographic was insufficient to meet the increase in costs of rates, salaries and

net rental and investment As already known the group income of £5.548 (£8.674).

Tax took the same at £43 to Dollouds Photographic leaving a net deficit of £59,324. Holdings.

Inter-City deficit rises

high interest rates meant has been taken to effect subtaxable losses of £250,000 com- stantial economies in overheads pared to £116,000 previously for benefits of these will not be reflected until 1982, he predicts a the half year ended June 30 loss for the six months to Decem-

attributed lower turnover and reing policy and source of supply duced profit margins to unfor the wholesale distribution seasonable weather and a high

1981. Turnover was down to ber 31 1981. 54.43m (15.07m), the lowest in He does, however, anticipate five years. a return to profit in 1982 as a Mr J. Harris, chairman, also result of a major change in buy-



Hickson & Welch

CHEMICAL MANUFACTURERS AND TIMBER PRESERVERS

Extracts from the Report and	Accou	nts for 1981	
Year anded 30 September		1981	1980
and miles as achains	-	£000	· £000
Turnover	٠.	90,873	93,296
Export sales of the U.K. companies		29,300	28,600
Group profit before tax		6.275	. 6,475
Earnings for ordinary shareholders		3,098	3,242
Total ordinary dividend		1,450	1,450
Earnings — pence per share		16	17
Investment in new capital expenditure		3,445	4,236

- * Profits from chemical operations were lower with conditions in the six months to 31 March, 1981 particularly difficult.
- * Despite cost saving measures, the chemical side continued to be affected by increased costs of energy and raw materials, and the effect of the strong pound on exports in the first helf of the year.
- * Profits from timber preservation activities improved, particularly from the oversess subsidiaries. Activity in fencing materials, fire retardants and other specialised products has increased.
- * Future prospects should provide opportunities for an expansion of business in timber preservation and building materials, but in present conditions no more than a modest improvement can be expected in the chemical operations.
- * Recommended final dividend 5p per share for 1981/82 making a total of 7.5p for the year - the same as last year.

CASTLEFORD • WEST YORKSHIRE

EPIC up slightly

PRE-TAX income of Estates Property investment Company edged ahead from f1.22m to f1.25m for the six months ending October 31 1981 and the vet interim dividend is being held at 2.75p per 25p share—a final of 4.25p was paid last year from taxable income of f2.49m taxable income of £2.49m.

Rents receivable for the half year totalled £1.78m (£1.63m) and net property income was also higher at £1.63m, against £1.51m Net interest payable declined from £202,000 to £182,000 but ground rents payable increased to £197,000 (£84,000).

Tax took £436,000 (£390,000) leaving the surplus available for distribution lower at £815,000, compared with £831,000.

BOARD MEETINGS

TODAY
Interime—James Austin Steel, A. and J. Gelfer, Midland Trust, New
Witwatersrand Gold Exploration
Property Security Investment Trust
Stock Conversion and Investment
Finela-Anglia Television, Arbuthnot

FUTURE DATES		
Interims—		
Crouch Group		
Davy Corporation	Jen	25
Hillards	Feb	1
Priest (Benjamin)	Jan	26
Somerville (William)	Jan	25
Weilman Engineering	Jan	28
Finals		
Glass Glover	tJan	21
Hill and Smith		
Imperial Chemical Industries		
† Amended.		_
<u></u>		

As part of a reshaping of the engineering construction group a scheme of arrangement result-william Press, the UK construction subsidiary William company William Press and Son is being renamed Press construction. Press Construction.

The following companies have notified detes of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based meinty on last party of the property of the pro

The realignment of the group a major trading company.

PRESS CONSTRUCTION

which was both the parent and

Everards ahead at year-end

TRADING profits of Everards

Brewery improved by 10.4 percent from £1.39m to £1.6m in the
year to September 30, 1981.

Profit was maintained, says Mr

R. O. Steel, the chairman, despite
incurring considerable expenditure in preparation of a new
with Turnover of this Leicester.

The wine and spirit company, in Narborough Road, Leicester.
but this will be financed out of earnings in order to guard its independence.

A new public house, replacing the overall trade and the cost of overall trade and the cost of property disposals during the site. Turnover of this Leicester-based brewer increased from £13.28m to £15.37m.

The total dividend is raised from 6.4p to 6.8p with an improved total of 4.5p (4.1p). Mr Steel says the company maintained a rate of growth to show an overall increase in beer barrelage of 6.8 per cent, while the industry generally was con-tracting by 5.5 per cent. For the first time, trade exceeded 100,000 barrels with the gain coming, as in the previous year, in free and take-home trade.

work on the new site, he says the timing of the availability of Tuborg was an opportunity to be seized and exploited for mutual advantage. Everards negotiated a fron-

chise agreement covering the whole of the Midlands for Tuborg Pils and Tuborg Gold, and this will permit it to brew these beers under licence as target barrelages and production facilities mature.
It is planned, in the long

build capacity to produce Tuborg lager at its new site revert to private status.

.. Property disposals during the year resulted in profits of £2,000 (£141,000). Tax charged was down £749,000 to £642,000, and after dividends of £153,000 after dividends of £185,000 (£145,000), retained profits were higher at £806,000 (£639,000). Stated earnings per £1 share were up from 38.3p to 47p.

CCA earnings per share were 29p (27.6p) from profits of £1.24m (£1.32m). The company intends to call an extraordinary general meeting at which share-holders will be recommended to

Johannesburg Investments ?



Consolidated

GOLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31st DECEMBER 1981 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

Randfontein Estates

The Randfontein Estates Gold Mining Company, Witwatersrand, Issued capital: R10 827 106

(Divided into 5 413 553 shares of R2 each)

		Year-
	er ended	ended.
<i>31.12.79</i> 81	<i>20_9_1981</i>	31 <u>.12.1981</u>
7 000 000	5 700 000	
		4 525 000
		23 679
		5,2 R68,37
		R33.24
R38,58	R34,38	R35,13
		
778 000	862 000	3 351 000
126 172	154 496	591, 774
0,162	0,179	0,177
080)		
86 985	79 995	309 370
37 486	38 810	150 414
49 499	41 185	158 956
. 3 683	2 588	12 034
1 554	2 250	5 449
54 736	46.023	176 439
2 523	1 245	6 362
57 950	47.968	182 801
\$1 200	4. 200	يرون عزيت
6 402	15 271	34 877
20 957		147 924
	17 562	103 929
71 633		40 600
		• •
		٠
	1 283 009 6 412 5 5 0 867,80 R29,23 R38,58 778 000 126 172 0,162 0,162 0,162 0,162 0,163 1 554 54 736 54 736 52 523 57 259 6 402 50 887 39 381 31 655	1 283 000

DEVELOPMENT

During the quarter a total of 13 385 metres (14 443 metres) was advanced at the Cooke Section. Development from Cooke No. 2 Shaft in the Cooke No. 3 Shaft area on 118 and 128 levels, amounted to 3 234 metres (2 380 metres). At the Randontein Section 183 metres (648 metres) were advanced, which included development on the Rock Tunnel, Leader and East Reef horizons.

SAMPLING RESULTS:

The values shown in the following tabulations are the actual results of sampling reaf development. No allowance has been made for any adjustments which may be necessary when computing ore reserves.

COOKE SECTION

						_	
	Quarter ended 31.12.1981			Quarter ended 30.9.1981			
UEIA REEF Tota	No. 1 Is Shaft	No. 2 Shaft	No. 3 Shaft	Totals	No. 1 Shaft	No. 2 Shaft	No. 3 Shaft
Sempled - metres . 3 2 Channel width	70 1 062	1 851	357	3 369	1 500	1 740	129
- centimetres 1 Average value: Gold	78 163	188	172	181.	185	180	151 :
- grams per ton 7	,5 6,9	7,9	7,2	7,0	7,1	6,9	7,4
grams per ton 13	35 1 125	1 485	1 288	1 267	1 314	. 1 242	1117
 kilograms per ton 0,3 centimetre 	40 0,140	0,240	0,480	0,222	0,123	0,286	0,510
kilograms per ton 42,	72 29,82	45,12	82,56	40,18	32,76	51,48	77,01
RANDFONTEIN S	SECTIO	ON .		31.1	Quari 2.1981	er end 30.	ed 9.1981
MAIN REEFS Sampled - metres Channel width - centim Gold	etres				96 88		210 136
Av value - prome nor t	ren		_		2.5		15

	- centimetre gra	msperton	. 305	3
	REEPS velopment was samp	led during the q	uarter (177 me	tres).
RE	RESERVES AS	AT 30.9.198	- COOKE	SECT
ÈΙΑ	REEF .	No. 1 Shaft	No. 2 Shaft	Tot

OIGH RECEIL AND AN A	T OU	9.190	. – 00	ORE	DECI	.101
UEIA REEF	No. 1	Shaft	No. 2	Shaft	Tot	a).
		1980		1980		
Tons – 000's	3 671 158	3385 181	2 517 153	1 989 186	6 188 156	. 5 37 18
– grams per ton			1		j	
- kilograms per ton - centimetre kilograms per ton	0,165 26,07	0.156 28,24	0,340 52,02	0,310 57.66	0,236 36,82	0.21: 38,9

1. The 1980 are reserves were calculated as at 31.12.1980.

VENTERSDORP CONTACT REEF AND UPPER ELSBURG REEFS

2. The 1961 ore reserves are related to pay limits calculated on the basis of a gold price of R13 000 per kilogram (1980; R13 600 per kilogram) and certain assumptions as to uranium prices. At the rate of exchange prevailing on 30.9.1981 the gold price assumed was equivalent to U.S. 5425 per ounce (1980; U.S. 5550 per ounce).

3. At Randfontein Section additional underground reserves are available on the Bird Reefs (gold and uranium) but as it is not intended that these be mined in the foresseable future, they have been excluded. One from a number of small isolated blocks on the Leader and West reef horizons and the surface tailings and rock dumps, is being used to supplement gold production but is not included in the ore reserves.

Quarter ended 31.12.1981

Quarter ended 30.9.1981

COMPARATIVE ORE RESERVES: COOKE SECTION

EFFECT OF VARYING THE GOLD PRICE					
Gold Price	Equivalent	Tons	Average value		
R/kg.	U.S. \$/02.	000's	Gold – g/t.		
11 000	360	5 730	10,8		
13 000	425	6 188	10,3		
15 000	490	6 515	9,9		

Note: -The consequential effect of varying the gold price on the average uranium values is negligible.

SHAFT SINKING

COOKE NO. SA VENTILATION SHAFT This shaft was commissioned during the quarter and has already contributed significantly to the improved ventilation of the Cooks

COOKE NO, 3 SHAFT

Sinking operations advanced from 425 metres to 772 metres below coller and included the cutting of 104 level station. The major civil construction work at the shaft has been completed and the buildings have been occupied. Part of the Ikhwezi hostel for Black employees

PRODUCTION

Underground ore from the Randfontein Section was supplemented by 478 000 tons (309 000 tons) from old surface tailings and rock dumps. The larger proportion of sand and slimes, combined with certain modifications to all sections of the Milliste plant, has increased the rated capacity and throughput. The greater throughput of low-grade material resulted in a lower average mine recovery grade but increased gold production.

Production of uranium exide ceased entirely at Milleite uranium plant during the first month of the quarter when only 6 000 tons (97 000 tons)

DIVIDENDS

Dividend No. 93 of 400 cents per share was declared on 21st December, 1961, payable to members registered at the close of business on Friday, 22nd January, 1982. Dividend warrants will be posted to shareholders

CAPITAL EXPENDITURE

Net expenditure on mining assets during the quarter amounted to R39 245 000 with expenditure on other assets amounting to R118 000. At 31st December, 1961 there were capital commitments amounting to the cost of the cost of

For and on behalf of the Board G. Y. NISBET Directors

Western Areas

Western Areas Gold Mining Company Limited Issued capital: R40 306 950 (Divided into 40 306 950 units of stock of RI each)

 Ora milled - tons
 1 961 000
 1 070 000

 Kilograms produced
 4 136
 4 387

 Yield - grams per ton
 3,9
 4.1

OLE MOTHER - MOCHS	T AGT GOD.	T 0 to mo	423 L UU	
Kilograms produced	4 138	4 387	17 706	
Yield - grams per ton	3.9	4.1	4.1	
Revenue - per ton milied	R52,56	R52.42	R53.57	
Working costs - per ton milied .	R48,52	R42,44	R42.04	
Profit - per ion milled	R9,04	R9,98	R11,53	
TOTAL DECEMBER OF	0003			
FINANCIAL RESULTS (R	UU0)		.,	
Revenue from gold	33 766	56 091	229 867	
Working costs	46 177	. 45 414	. 180 403 -	
•••				
Profit from gold	9 589	10 677	49 464	
Net sundry revenue	277	- 1 001	. 2 345	
Operating profit	9 866	11 67S	51 709	
Net interest receivable	1 535	1715	5 960	
Profit before taxation	11 401	13 393	57 66 0	
Taxation and State's share of			•	
profits	(1 636)	(320)	2 398 ·	
Profit	13 837	13 713	55 271	
Capital expenditure	13 923	7 146	40 205	
Dividends declared	8 06L		16 122	
Note:				

Average revenue per unit of gold: U.S.S per ez. Rand per kg. DEVELOPMENT

SAMPLING RESULTS:

A total of 10 318 metres 19 290 metres) was advanced during the quarter. Included in the above total is Middle Elsburg development amounting to 1 249 metres (1 015 metres).

The values shown in the following tabulations are the actual results of sampling reef development. No allowance has been made for any adjustments which may be necessary when computing one reserves.

Total Venters Fishing Fishin 18 days Massive Indi-Reefs Contacts Reefs dis-Treat Veniers Listuage All deep Manage Reets United Reefs Bool .1 236 147 591 498 metres Channel width – centimetres Average value: Gold 73 213 197 grams per ton. 5.9 15.9 6.1 4.9 6.7 19.2 6.0 5.6 grams per ton. 1 127 986 1 275 1 014 1 240 1 402 1 272 1 103 Quarter ended 31.12.1981 30.9.1981 MIDDLE ELSBURG REEFS OPERATING RESULTS 31.12.1981 30.9.1981 31.12.1981 4 291 000 17 706 etre grams per ton ORE RESERVES AS AT 30.9.1981 VENTERSDORP CONTACT REEF AND UPPER ELSBURG REEFS

-	1981		1	1960	
V.C.R.	Upper Elsburg		V.C.R.	Upper Eisburg	Tota
Tons - 000's 1 071 Stope width	7 524	8 595	950	8 853	9 80
- centimetres 170 Average value: Gold	218	212	179	208	20
- grams per ton - 7,6	5,9	6,1	8,6	6,1	6,3
grams per ton . 1 292	1 286	1 293	1 539	1 269	1 29:
MIDDLE ELSBURG REEFS					
Tons - 000's Stope width	٠.	1 891		-	1 758
- centimetres Average value:		353	ţ		16
Gold			1		٠
— grams per ton — centimetre		2,8	l ·		1,8
grams per ton		434	,		290
- kilograms per ton		0,705			0,500
– centimetre kilograms per ton		109,28	<u> </u>		81,50

Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

Notes:

1. The combined 1950 ore reserves were calculated as at 31.12.1980. 2. The 1861 ore reserves are related to pay limits calculated on the basis of a gold price of R13 000 per kilogram (1980 - R10 600 per kilogram) and certain assumptions as to urunum prices. At the rate of exchange prevaiting on 30,9,190; the gold price assumed was equivalent to U.S.\$425 per ounce (1980 - U.S.\$550 per ounce).

COMPARATIVE ORE RESERVES: TOTAL ORE

RESERVES EFFECT OF VARYING THE GOLD PRICE						
Gold Price R/kg.	Equivalent U.S.Sjoz.	Tons 000's	Average value Gold - g/t.			
11 000	360	R 122	5,9			
13 000	425	10 486	5,5			
15 000	490	11 711	5.3			

PRODUCTION The build-up of stoping operations on the Middle Elsburg reef horizon continued during the quarter. The installation of refrigeration piping and equipment at South Shaft

The consequential effect of varying the gold price on the average pranium values is negligible.

as well as shaft repairs and materials handling at both shafts limited the tomnages hoisted. To maintain mill throughput some 152 100 tons 1125 600 tons) of low-grade surface dump material were treated with a consequential reduction in average recovery grade.

The 4E S.V. Shaft man hole that icon commissioned and licensed and commissioning of the rock hoist is proceeding. At the S.V. I Shatt sinking and lining operations continued and the shaft advanced EU metres (79 metres) to \$45 metres (716 metres) below collar with E66 metres (75 metres) being concrete lined.

URANIUM TREATMENT PLANT The commissioning of the transum plant commenced during December 1981 and initial production of transum is expected in January 1982.

Dividend No. 3: of 20 cents per unit of stock was declared on 21st December, 1651 payante to members registered at the close of husiness on Friday, 22nd January, 1862. Dividend warrants will be posted to stockholders on 4th March, 1962. CAPITAL EXPENDITURE Net expenditure on mining assets during the quarter amounted to R13 931 000 and recoupment of expenditure on other assets amounted to R8 000. At 31st December, 1981 capital commitments amounted to

> For and on behalf of the Board G. Y. NISBET Directors
> R. C. BERTRAM

Elsburg

Elsburg Gold Mining Company Limited (Divided into 30 203 000 units of stock of RI each)

DIVIDENDS DECLARED (R000)

SUB-VERTICAL SHAFTS

Quarter ended 31.12.1981 20.9.19 20.9.1981

> For and on behalf of the Board E. C. BERTRAM Directors

Johannesburg Consolidated Investment Company, Limited Consolidated Building, Fox and Harrison Streets, Johannesburg 2001 P.O. Box 580, Johannesburg 2000

or Barnato Brothers Limited 99 Bishopsgate, London ECSM 3XE England

Copies of these reports. in English or Afrikaans, are available on request from the offices of the transfer secretaries.

NEWS ANALYSIS: GRINDLAYS BANK'S HONG KONG DISPOSALS

Setting the perennial chestnut aglow

FEW BRITISH banks have been around the world. the subject of so much specula. While its spread of 200 tion as the 154-year-old Grindlays branches and offices in 40 coun-Bank, and this week's announcement that it is planning to sell banks, Grindlays Bank has been the bulk of its Hong Kong opera-tions for £70m set the rumour in the mid-1970s left it saddled mills churning again.

Ever since its two principal shareholders, Lloyds Bank and Citibank, came to its rescue in growth, the UK backing crisis of the midrumours that one or other of them was gaing to make a bid

Atthough it ranks 159th in terms of size in the world, Grindlays is one of only a handful of international banks twithout a large domestic deposit

It is the biggest foreign bank undermining staff morale and in India with 4,000 staff and 54 made it difficult to recruit "top-branches. It is one of the big-flight" hanking talent. gest banks in Zimbawe, the United Arab Emirates and Cyprus. It has 12 branches in Jordan, nine in Bangladesh and

LONDON TRADED OPTIONS

Jan. 19 Total Contracts 2,615. Calls 2118. Puts 497.

100

389p

138p

427p

\$58[°]

13

10 5

1 --15

10

The British Linen Bank Limited

Issue of

participation units of £2,500 each in

CREATIVE CAPITAL FUND

The British Linen Bank Limited

announces the launch of Creative

Capital Fund. This Fund has been

established to enable individuals to

subscribe for new equity capital in

United Kingdom companies which

have been trading for less than five

years or in start-up situations in such

for the cost of their investment

participation units of £2,500.

By investing through the Fund,

the benefit of the advice of The

considerable experience of .

British Linen Bank which has had

investment in smaller companies.

management company, Creative

Capital Nominees Limited, consists

Furthermore the Board of the

individuals will be able to obtain a

spread of investments and will have

under the Government's Business

Start-up Scheme introduced in the

Finance Act 1981. Investors will be

able to apply for a maximum of four

a way that they may obtain tax relief

tries has been the envy of many

with large subordinated loans and relatively high gearing ratios which restricted its In the eyes of the international

banking community. Grindlays Bank has been suffering from three major problems; it is three major problems; It is prochase of the Dao meng strong UK earnings to offset its bigh overseas tax charge, and its shareholders seem to be unable authorities approve the sale: it will have succeeded in gaining handlers beauting licence abroad after

This has had the side-effect of

five in Oman, for example, as on the transaction will give a well as dozens of other offices welcome boost to the bank's

45 129p

relatively weak capital ratios and of the group embracing its years ago. is likely to be used to boost UK financial interests, has won the earnings which will help reduce confidence of both the financial the unusually high tax charge. In addition the move when

seen in conjunction with the recent appointment of a group chief executive (following a year \$\$671.5m at the end of 1981. when the bank was run by an eight-man executive committee) evidence that Grindlays Bank has found some sense of direction after years of strategic drift.
For the Hong Leong Group
there is a great ironic success in

Grindlays has placed its faith The planned sale of the Hong in Hong Leong over rival suitors Kong operation will go a long way towards helping solve these problems. The foom capital gain When the Monetary Authority When the Monetary Authority of Singapore turned down Hong

years of trying unsuccessfully

for one in its home base of

lacked banking know-how.

In a sense, the Singapore authorities have only shown their great conservatism. Hong Leong Finance, the quoted arm

and the investing public.

The finance house has assets of S\$250m (US\$124m) and a capitalisation market Hong Leong Finance ranked 22nd of all Malaysian and Singa-

pore companies by market capitalisation. If it were a bank, Hong Leong would be Singapore's fifth largest commercial bank after the Development its purchase of the Dao Heng Bank of Singapore, Overseas-Bank from Grindlays, assuming Chinese Banking Corporation, that the shareholders and the United Overseas Bank and Overseas Union Bank, but then the Singapore authorities have traditionally been conservative: no local institution has been awarded a full banking licence

> The finance house is only part of a much larger group which includes property and hotels, plantations, a cement plant, printing, housing and trading.
> The group has assets probably

bid, has made unusual arrange-

in England and Wales.

Hong Leong Finance began business in 1966 with Kwek Leng-Beng, one of the sons, as its managing director. The young Mr Kwek is still only in his mid-30s. The ficance company's first business centred around property mortgages and hire purchase of motor vehicles, but quickly expanded and offered a broad range of financial services, including leasing and industrial equipment

In 1980, Hong Leong acquired a controlling interest in Manson Finance Trust, a UK-based group specialising in secured mortgage financing and factorying.

financing

Mr Kwek Leng Beng has, for some time, been anxious both to complement Hong Leong's financial services by means of a full banking licence and to look abroad to a more international

The purchase of Dao Heng may help to achieve both those objectives. The group is also hoping for a full bank licence Leong in the late 1970s, it was in excess of S\$1bn on both sides in its own territory of Singa-reputedly because Hong Leong of the causeway between Singa-pore when the new Trade and Industry Minister, Dr Tony Tan, himself a banker, completes his review of Singapore competitive-ness as an international financial

RTZ: no further increase

since the 1950s

that the present terms of its offer for Thos. W. Ward are final and no further increase will be made prior to the 225p per share bid's

to add again to the series of letters and Press notices directed at Ward's shareholders by the ments whereby acceptances can two contestants of the take-over be lodged by hand with certain battle launched by RTZ on branches of the Midland Bank battle launched by RTZ on November 20 last year. Sir Anthony Tuke, RTZ's chair-

man, recapitulates in the letter man, said he was surprised that the main points of his company's the RTZ bid terms had now case and stresses again the con-become final. His Board to be clusion, hotly disputed by Ward, expected RTZ to pursue the

Rio Tinio-Zinc has confirmed leaving them "weak for a long Ward's larger shareholders. period—particularly if RTZ were to dispose of its shareholding."

Such an increase might have been allowed by the Take-Over The letter is also concerned to Panel, had it led to one trans warn Ward shareholders not to action giving RTZ control of closing date on January 26.

Announcing this yesterday, withheld by postal delays due to RTZ also took the opportunity bad weather or rail strikes. Mr Frost repeated his view bad weather or rail strikes. Morgan Grenfell, adviser to the that the institutional holders in

Ward thought the 225p per share on offer much too low. He would not speculate on the incremen they would need to support the bid "but it is not a small one." Meanwhile, RTZ has continued

Mr Peter Frost, Ward's chairto accumulate Ward shares to the market. Its stake was up to 36.2 per cent yesterday morning that the demise of RTZ's bid option of a higher price reached are understood to have been would depress Ward's shares in co-operation with some of buying steadily through the day.

Fisons in Canadian deal

Fisons, the chemicals group, of the business but will now Plans for the new subsidiar has acquired for CS8.5m the out discuss its total purchase with include the inauguration of two standing shares in its 50 per the FIRA and could yet face a new plants later this year for

The vendor is Mascan Corporation, which represents the business interests of Mr S. B. McLaughlin. It was called S. B. McLaughlin Associates when it sold Fisons its initial half stake in the Canadian company in December 1000. December 1980. The first purchase was made

upon the net asset value of the acquired business, which pro-duces peat for the North American horticultural market. Mr David Peters, director of

planning and administration at Fisons, said the company had been happy to accept a limited stake at first, giving it a useful local partner and meeting what seemed to be the preference of the Canadian Foreign Investment Review Agency.

Towards the end of last year, however, Mr McLaughlin indicated his desire to sell his remaining holding. The business said Mr Peters, had performed contributed substantially to the horticultural division to which it

Fisons has accordingly taken the opportunity to buy the whole

been partly financed by additional Canadian dollar borrowings for Fisons and also draws business, to serve the North

Plans for the new subsidiary request for partial disjuvestment the manufacture of peat-based from the Canadian Government, horticultural fertilisers. They manufacture of peat-based from the Canadian Government, horticultural fertilisers. They manufacture of peat-based from the Canadian Government, horticultural fertilisers. They manufacture of peat-based from the Canadian Government, horticultural fertilisers. They manufacture of peat-based from the Canadian Government horticultural fertilisers. Fisons' shares closed up-5p at 160p.

for CS12.5m and the aggregate consideration has been based Less than 10 bidders in the running for Bowmaker

Britain's last large independent finance house, are expected to be announced within the next few days.

S. G. Warburg, the merchant bank advising Marsh and McLennan, the U.S. insurance brokers selling Bowmaker, is expected to release details of an agreement in principle for the sale of Bowmaker in a deal which could be worth as much as £100m.

Considerable speculation surrounds the new owners of Bowmaker. Several leading U.S. and European Spancial institutions in addition to UK firms are known to have been n the running but the final short list has been reduced to less than 10 bidders.

Bowmaker, which has over 100

STURLA HOLDINGS/ LAGANVALE ESTATE

The directors of Sturla Holdings and Langanvale Estate are to propare profit forecasts both companies to provide shareholders with further information about the combined group's prospects.

Laganyale, the quoted Belfast properly company in which Mr holding, is being acquired by Sturla, the financial services group, in a recommended share deal which values Laganvale at

Mr Slater had irrevocably accepted the offer in respect of his bolding. Together with Mr Simon Fraser with 12.47 per cent and the holdings of Laganvale this gave Sturla 46 per cent of the shares and acceptances since received are believed to have taken this to over 50 per cent. The irrevocable acceptances, which lapsed on January 13, are now being renewed until March 15 subject to profit forecasts now being prepared by both companies.

It is hoped that the offer document will be available for posting no later than the first week in February. The reason for this delay has been discussed with the City Panel.

net worth of £54.9m at June 30 1981 and deferred tax of £48.1m. The group's pre-tax profits peaked at £12.5m in 1978 and in 1980 it made profits of £4.9m.

Bidders are attracted to the group because of its national network and sound management It is thought that the new owners could at least double and possibly treble the volume of business going through the operation without too much

It is understood that Bow maker's loss-making engineering operation, Bowmaker (Plant) has been stripped out of the unit which will be sold as a pure Marsh and finance house. McLennan acquired Bowmaker following the takeover of C. T.

PRESTIGE'S WIGGIN SIDE SOLD TO ONEIDA

The Prestige Group, the house-ware goods manufacturer con-trolled by American Home Products of the U.S., has sold its Walsall-based Wiggin division to another U.S. company,

The division chiefly comprises Old Hall Tableware, the maker of stainless holloware products, but also includes Bridge Crystal Glass Company and Wiggin Chains. The purchase price has not been disclosed but is understood to have exceeded £500,000. Old Hall will now be managed from Oneida's London office, which also controls Oneida's other main UK interests, based

MANCHESTER SE BUILDINGS

at Bangor, Northern Ireland.

Directors of the Manchester Stock Exchange Buildings state that the 375p per share offer by London and Manchester Securities is not related to the approach mentioned in the board's letter of January 13, 1982. They will be writing to holders in due course. Directors and advisers—County Bank-recommend holders take no action in the meantime in respect of their holdings.

AMERICAN VALUES NV. (Incorporated under the laws of the Netherland Antilles).

The Directors have declared a dividend of U.S. \$3.00 per preferred share, the record date of which is November. 30th 1982, payable January 15th 1982.

Holders of bearer shares should present coupon number 2 at The Bermuda Provident Bank, Barclay's International Building P.O. Box 1748, Hamilton 5, Bermuda Registered Shareholders of record will have their dividend cheque mailed to their address.

C.T. Collis Secretary

Boost for Randfontein in December quarter

BY KENNETH MARSTON, MINING EDITOR

THE BEST December quarterly Estates in the Johannesburg the min Consolidated group. Working the sh profits for the period have risen 1979. to R57.3m (£31.7m) from R47.3m The in the September quarter and, thanks to a sharply reduced tax charge, profits at the net level are 59 per cent up at R50.9m. Pretty well everything was going in the mine's favour during the past quarter. The average gold price received was higher both in terms of dollars (\$441 per cz) and rands (R13,566 per kg), gold production increased, uranium profits rose and there was a further fall in working

costs. Underground Underground development values both in the Cooke section and in the old workings were satisfactory while 1981 Cooke ore reserves increased to 6.19m tonnes from 5.37m tonnes in

The gold value of the latest ore reserves was modestly raised to 10.3 grammes from 9.6 grammes. The uranium content was little changed but should rise as further development work is carried out at the new high grade Cooke No. 3 shaft

South African gold mining the over-optimistic valuation of are burious or and are to be industry comes from Rambonstein ore reserves in the old part of a low gold grade and are to be industry comes from Rambonstein or reserves in the old part of a low gold grade and are to be industry comes from Rambonstein or reserves in the Johannesburg the mine which caused a set in mined many for their mandam Estates in the Johannesburg the mine which caused a set in November content. the sharemarket in November, content.

The mine's total net profit for 1981 comes out at R147.9m. an improvement on the R145.5m earned in 1980 when a high average gold price was received of R15,530 or \$621.

The marginal Western Areas \$377 Western Are

The marginal Western Areas \$377 Western Areas will be find has made a lower profit in the ing the going difficult but in the December quarter despite having longer term matters will be received a higher gold price. Gold output has fallen in line which is to begin this mostly with a reduction in the gold grade to only 3.9 grammes, reflecting the need temporarily quarter of next year to draw upon low grade surface. Quarterly net profits of the risen.

Latest gold development values are hardly inspiring as are the latest ore reserves which remainment include a relatively small ton Western Asses

THE BEST December quarterly Thus Randfontein has nage from the Middle Elaburg report so far announced by the recovered from the setback of reefs where stoping operations south Arrican gold mining the over-optimistic valuation of are building up; these reefs have

Western Areas latest bre eserve total of 10.49m to an average gold grade of 5.5. grames is based on one payable at a gold price of Ris,000 or

It is notable how the reserves

of this marginal mane ere affected by changes in the gold As already announced; affected by changes in the gold however, the 1981 dividend total was reduced to 750 cents from would amount to day 8.2m the increased capital expenditure which amounted to R104m lest year compared with R78.6m in grammes at a price of \$360. At the current price of arth

Murchison strengthens but Prieska goes into the red

Profits have again improved in line with increased sales of antimony which continue to exceed production, thus reducing the stockpile built up prior to the

Sales of by-product gold have also earned more in the December quarter with the result that Murchison bas once again. staged a recovery from rags to something approaching riches. The total net profit for 1981 thus

market for antimony collapsed Murchison suffered losses in the second half which left the total

around a modest 1.5 bl uranium

SOCIETE GENERALE

HAS 89.5% OF TANKS

Societe Generale de Belgique has

received acceptances which would give it 89.5 per cent of the capital of Tanks Consolidated

Investments and hopes to reach over 90 per cent by the end of

Once it has topped 90 per cent,

Societe Generale can declare the

offer unconditional. The com-pany, which held 30 per cent of

Tanks ordinary shares directly or

indirectly, is offering 450p per share for the balance.

The takeover, launched last September, was the first stage in a plan to reorganise Societe Generale's holdings in the non-

It was followed by the absorp-

tion and reconstitution of Belgian company Union Miniere

SA to head its newly vertically

structured holdings in this sector, including Vielle Montagne SA,

Metallurgle Hoboken Overpek SA and Cie Royale Asturienne des Mines SA.

Mr Ronald Shuck has acquired New Day Furnishing Stores and its hire purchase company, North

The acquisition was bandled

through Consult International, a

Birmingham-based company wholly-owned by Mr Shuck.

New Day Furnishings has its head office in Stockport. Cheshire, and sells furniture through its 70 retail outlets in the

UK. It operates its own hire purchase finance company, North

R. P. ELLEN TRANSFER

Church & Co., the Northampton-

based shoe manufacturer and

retailer, is to transfer the man-

agement of its R. P. Ellen sub-

idiary to A. Jones and Sons, its

100 per cent owned Eastbournebased main retailing operation. Ellen, acquired by Church in

1978, has 15 shops in the London

area and has retained head-

quarters in Leyton. This will now

close, with about 20 staff redun-dancies. Mr N. F. Prentice,

dancies. Mr N. F. Prentice, Ellen's managing director, will

join A. Jones In their Eastbourne

head office as a board director.
The changes will be accom-

panied by a capital reorganisa-tion within the Church group. The parent company will sell the

equity of Ellen to A. Jones for a total consideration of £1.2m Eilen has a net book value of

made pre-tax profits of £123,415

Wales Trust.

CONSULT INT./NEW

DAY FURNISHING

ferrous metals sector.

oxide per tonne.

amounts to R4.61m.

Last year, when the volatile profit for 1980 at R1.48m. The dividend was limited to an

of 60 cents,
In sharp contrast to the revived fortunes of the antimony pro-

managed to increase its working profit on gold and despite quarter. A loss of R440,000 reduction in state aid has suded leaves a half year profit of up with a slightly higher profit the same period of 1980.

The Anglowsel and profit of the quarter. ducer, the group's Prieska copper-zinc mine has gone back il.27m compared with R5.61m in for me quarter, the same period of 1980:

The Anglovaal profits are compressed has, of course, suffered, pared in the following table.

Dec. Sept. luis from the falling price of copper. Shipments of copper concentrates

THE STAR quarterly report from interim only of 30 cents per result of a decline in grade. How, the mines in the Anglovaal group comes from the antimony-producing Consolidated Murchison. Profits have again improved in Profits have again improved in the mine of the control of t has dropped as a result of the timing of sales and the mine has come out with a small increase in overall net profits.

also feld during the past quarter although those of zine concentrates were slightly higher.

Of Anglovaal's gold mines, Hartebeestfontein has obtained a better gold price in the quarter,

Canada's Teck well Approval for W. Australian positioned for growth uranium mine

AUSTRALIAN Government CANADA'S Teck Corporation is price of copper to be "substanapproval has been given for the in a good position for continued tial and sustained," because development of a small uranium growth, according to Dr Norman reported stocks of the metal are He told shareholders in his point in the price cycle. the Lake Way property, near Wiluna, and represents a joint venture between CSR's Delhi annual statement that earnings

will improve as metal prices International Oil with 53.5 per recover to more realistic levels. cent and Vam with 46.5 per cent. and last year's work on develop Economic viability and marketing studies will be carried out to determine how ing new mines will broaden the company's range of commodities and strengthen profits. 3.700 toppes of uranium oxide which is thought to grade

Dr Keevil went on to say that he believes there is cause for confidence that metal prices will begin to recover in the near future, and pointed out that in currently at its lowest since

He expects the increase in the during the year.

Teck's performance is heavily dependent on the copper price. that an increase of 15 U.S. cents per pound would boost the company's cash flow by around C\$14m (£6.2m).

Net earnings in the year ended September 30 were CS1L9m before extraordinary items, but after the inclusion of gains on the sale of investments this figure rose to C\$52.5m. Teck has been carrying out a programme designed to reduce

its debt, which fell by C\$143m

Freddies static midway

and Investment ("Freddies") to profits of R3.63m. maintain its interim dividend for the six months to end-December 1981 at 15 cents (8.2p) a share.

The company, a South African mining finance house of modest size within the Johannesburg Consolidated Investment group, returned net profits of R114m (£625,000), slightly ahead of the R1.09m for the first half of the

A SMALL rise in net profits has last year of 32.5 cents, to give a enabled Free State Development total of 47.5 cents from met

The directors give the customary warning that no customary warning that no customs should be drawn from these results as to the likely toutcome for the full year, as investment income does not the control of the control of the customark the investment income does not accrue evenly throughout file.

Net asset value per share at revious year.

(389p), against a share price in Freddies paid a final dividend London yesterday of 235p.



6 months 8 months to 31st 30th April Oct. 1981 Oct. 1980 Unsudited) £'000 1,779 Rents Receivable 3,375 Net Property Income Interest Receivable 3,124 . 232 1,712 197 Ground Rents Payable 1,537 316 Interest Charges Income before Taxation Income after Taxation Group Surplus available for Distribution 1,624 Dividends

(1) Interest for the 6 months to Sist Detaber 1981 attribut (1) Interest for the 5 months in Sist Decorer 1981 memoriable to properties in course of development, simuniting to £134,000 (1989 — £98,600) has been excluded from the above figures and charged in the properties in course of development.

(2) The interim dividend of £75p is respect of the year ended 30th April 1982 will be pied on 2nd April 1982 to those shareholders properties in 5th Rapels 1982.

To: Creative Capital Nominees Limited. c/o The British Linen Bank Limited. 4 Melville Street, Edinburgh, EH3 7NZ.

of individuals who collectively will bring additional experience to bear on investment opportunities.

Although substantial tax relief can

be obtained by investment through

such a fund, particularly by the higher rate tax payer, there are special risks involved in investing in recently formed companies. Before deciding to proceed with an application for participation units individuals are strongly advised to take financial advice, taking account of the special risks involved, their own financial circumstances and tax position. It is, in any event, a condition of application that applications are submitted through a bank manager, stockbroker. solicitor or chartered accountant. Full details of the Fund are contained in a Memorandum which can be obtained from the

undernoted address or from any

branch of Bank of Scotland.

Hamilton, Bermada



Honeywell likely to cut stake in Cii

By Our Financial Scale "HONEYWELL, the US. comouter group, his confinited that it is likely to cut its holding in Cit Honeywell Bull, its 47 per gent owned Franch affiliate to
19 per cent or less. The condemation came as Honeywell
amounced a 21 per cent drop
in final quarter results mainly obecause of continuing losses at

Los Operating earnings in its minal quarter were down from \$130.2m, or \$5.79 a share, for \$130.2m, or \$4.46 a share, for the against \$276.3m. Annual per share profits were \$11.25 compared with \$12.36 and Mr. Edson Spencer, Honeywell's chainman, said Cit reduced earnings by 61 cents a share for the ings by 61 cents a share for the year in 1980 it added \$1.45 a

The per share figure includes a foreign exchange gain of \$3.60, against only 78 cents Revenues for 1981 totalled \$5.35bn compared with \$4.92bn. with the final quarter adding \$1.570n against \$1.450n. Mr Spencer's statement on its

plans for Cli represents the first concrete sign that Honey-well, after months of negotiations, is to reduce its stake in Cii, which with the Thomson electronics group is earmaniced as one of the cores for the French computer industry.

Mr Spencer gave no details of how the reduction would be achieved, but in the recent talks economy," it can register some the prospect of Honeywell gains in earnings in iscal 1982, receiving compensation of Opensting net for the nine receiving compensation of between \$230m and \$270m for its stake has been raised, as has the idea of the French Government reducing Honeywell's spholding through exclusive rights

The French Government has anall along been keen to maintain the technological links between Honeywell and the although with the prospect of around 15 per ent in the openthruing losses at Cir. Honeywell would be pleased not to have to include the Cit results quarter. on an equity accounting basis. against \$1.500n.

DEUTSCHE MAK

Ceca 10 91 Coun. of Expre 10 91 Coun. of Expre 10 91

Cosn. of Euppe 10% 91
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EIB 10% 95.
EIB 10% 95.
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Ireland \$1.86
Inter-Amplican 10% 9

New Bland 94 85 ... OKB fs 91 ... Quebé Hydro 10% 91 ... Ranse Acpt. 10% 85 Swed Ex. Cred. 10% 91 Worf Bank 10 91

| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100

Building slump hits U.S. Home earnings

BY OUR NEW YORK STAFF

U.S. HOME, the largest builder U.S. HOME, the largest values of private homes in the U.S., U.S. Home said this was in bearing the brant of the result of mortgage subsidy operations rather than an updrawn-out slump in the U.S. housing market Last year's earnings were down to a quarter of those achieved in

But the drop was not accomted for so much by lower seles as by the company's policy of offering below market financing to stimulate sales. The practice of mortgage subsidy has become widespread because of the high rates—17 per cent or more— demanded by banks and savings

Net earnings for the year were \$10m, down from \$44.3m in 1980. Revenue was \$982.2m, down from \$1.1bn | demand for housing
New Homes delivered last
year were down 10 per cent,
and new orders fell by nearly
france, has a 17.5
f per cent. Orders showed a stake in U.S. Home.

turn in the market U.S. Home, which earns visitually all its profits from the

sale of single family homes, has three quarters of its operations in the faster growing southern and south-western states. In October last year, the group amounced that it was reducing the number of its housing communities by 11 per cent and had laid off 20 per cent of its workers over the previous six months.

tions of further increases in demand for housing in the U.S. Societe des Maisons PHENIX. the largest housebuilder in France, has a 17.5 per cent

General Foods optimistic despite nine-month setback

EARNINGS at General Foods are sharply lower at the ninemonth stage. However, the com-pany, which dominates the propackaged foods, is consident that "despite problems in the

months was 13 per cent down at food business. \$159.7m or \$3.32 a share, although sales were up from \$4.92bn to \$6.8bn. The nine-month total exclures a 25 cent a share loss on discontinued operations.

Trading evidently improved somewhat in the third quarter, since operating net showed an computer industry, 11 per cent fall compared with ing six monthsof the year. Sales remained strong in the third quarter, trealling \$2.12bn

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market

exists. For further details of these or oner bonds see the complete list of Eurobond prices which

A substantial part of the increese in group sales has been ascribed to the inclusion of Oscar Mayer, the leading meat cessed coffee market in the processor acquired in May 1981. U.S. with its Maxwel House General Foods said volume brand and has a major role in trends in the U.S. had responded encouragingly and were up from last year, although economic problems had reduced some of the expected benefits expected

> About one-third of group sales but less than one-fifth of operating income, came in 1980 from international operations. from which further progress is expected this year.

in the packaged convenience

Earnings have in recent years -suffered from the volatility of coffee prices. This side of the business represented 41 per cent of group sales last year but only 29 per cent of profits, compared with the packaged food division, which served up 62 per cent of profits from 46 per cent of sales.

Closing prices on January 19

+0°, 0 17.44 0 9 17.92 0 +0°, 16.92 +0°, +0°, 18.22 0 +0°, 16.12 0 +0°, 16.99 0 0 15.88

CONVERTIBLE

Cov. Cov.

Alimomoto 51, 95

Ajmomoto 52, 95

Ajmomoto 51, 95

Cano 52, 95

Dariws Secs. 57, 96

Dari

FLOATING RATE

CONVERTIBLE

Digital **Equipment** lifts profit by 42%

DIGITAL EQUIPMENT, the leading U.S. minicomputer maker, pushed up net earn ings by 42 per cent in its second quarter from \$69.98m to \$99.08m on sales ahead by 27 per cent from \$762.3m to

The company remains concerned about the continued moderation in the pace of growth in its business and is cautious about the levels for the coming few quarters.

For its first quarter, Digital recorded profits growth of 58 per cent and, with the slower rate of increase for the latest period, half year net earnings were ahead by 49 per cent from \$126.18m to \$187.88m Sales for the half year were 27.5 per cent higher at \$1.81bn against \$1.42bn.

At the per share level halfyear profits came out at \$3.39 compared with \$2.60 after the second quarter contribution rose from \$1.43 to \$1.79. The company, which also ranks as one of the leading U.S. makers of computers and peripheral equipment, intends to contime to emphasise cost con-trols and limits on hiring in the next several quarters. However it is to keep up its high level of research and engineering spending, with the total expected to reach 8

for the year. It also intends outlaying \$500m on capital spending, up by a quarter from last year.

per cent of sales, which are

likely to be approaching \$4bn

Zero coupon bonds from Du Pont, Penney

By Alan Friedman

A TOTAL of \$600m-worth of zero coupon Eurodollar bonds was launched yesterday as the market gained | point on the day. As six-month Eurodollar deposit rates fell it per cent to 15 th per cent, the Eurobond markets followed New York's recovery.

The new zero coupon paper came in two issues: The first was a \$300m eight-year offer for Du Pont Overseas Capital priced at. 33.9 per cent to yield 14.48 per cent and managed by Morgan Stanley and Nikko Securities. The second was also for \$200m. a 12-year issue for J. C. Penney Global Finance priced at 18.5 to yield 15.10 per cent.

The actual amount of funds to be raised by these zero coupon bonds is \$157.2m, of which \$101.7m will go to Du Pont and \$55.5m to J. C. Penney.

The J. C. Penney issue. managed by Credit Suisse First Boston, was said to be attracting interest in West Germany and Switzerland, though less in Japan, where other recent zero coupon have been finding a offers

Meanwhile, in the fixed interest Eurodollar market, the \$50 seven-year 16} per cent Arizona Public Service sold out last night, according to lead-manager CSFB. This is not surprising since the issue is so far the only fixed-interest deal of the year and the market is hongry for such paper, provided the coupon is pitched

high enough.
The Arizona paper was trading at a discount of around 1} in the grey market. There were rumours last night that it might be increased by \$10m. There is none the less, gothing spec. tacular about this issue, which carries a yield similar to recent Arizona paper.
In the convertible sector a

\$15m 15-year private placing is being arranged for Nichimen, a Japanese trading group. The indicated coupon is 51 per cent and managers are Daiwa Securities and Sanwa Bank.

The Euro D-Mark sector yesterday saw the launch of a DM 150m eight-year \sue for Pemex, the Mexican state energy concern. The coupon came to 11 per cent, as pro-jected by a number of German traders suspicious of the Mexican name. Lead-manager is Commerzbank. The Pemex paper is

expected to attract a lot of German retail investors because of its coupor. Institutions in Germany are said to be staying away from this The Euro D-Mark sector

was quiet last night as prices rose } point on the day. Investors are still taking a wait-and-see approach. Prices in the Swiss franc foreign bend market were unchanged in quiet trading.

U.S. QUARTERLIES

Revenue	96.\$m 9.54m 0.07	95.40 9.09 0.7
DIAMOND SHAMROCK		
Fourth quarter Revenue Net profits Net per share	1,961 \$ 872.5m 59.7m 0.96	47.2
Year Revenue	3.365a 121.2m	

Final quarter boost for U.S. banks

LARGE U.S. banks reported healthy fourth quarter earnings yesterday, confirming that 1981 ended on an upbeat note for the U.S. banking industry, although loan charge-offs were higher, presumably because of the doubtful quality of loans to countries like Poland and U.S. companies suffering from the

Citicorp, the largest banking group in the U.S., more than doubled its earnings before securities transactions, from 196m to \$217m, although this included a \$41m gain from an equity-for-debt swap. Higher net interest revenue was the main contributor to earnings-a common pattern as U.S. bank funding costs fell sharply towards the end of last year. while the prime rate fell more

of 1981, reversing the down- quarter, an increase of 40 per

busy restructuring its balance and reducing its risk exposure to achieve healthier earnings growth. This meant that its overall asset growth was slower last year, only 4 per cent to \$119bn.

Citicorp also reported strong growth in fees and commi from non-lending related busis, notably foreign exchange activities which reached \$265m, up from \$101m in 1980.

Manufacturers Hanover, the fourth largest U.S. bank, earned \$70.9m before securities transactions, or \$2.09 a share, compared with \$59.5m, or \$1.78, in the same period of 1980. Earnings for the full year were \$256.5m, or \$7.61 a share, up from \$230.2m, or \$6.91 in 1980. Bankers Trust, the eighth

This left Citicorp with a 9 per largest U.S. bank, earned \$57m, cent earnings gain for the whole or \$2.05 a share, in the fourth

trend in 1980. Citicorp has been cent from the \$40.8m, or \$1.52, profits achieved in the same quarter of 1980. For the full year, earnings before securities transactions were \$192.2m, up 6 per cent on the \$180.9m earned

Mr Alfred Brittsin, Bankers Trust chairman, attributed the final quarter advance to higher net interest income, increased trading profits, higher fees and commissions, and lower credit loss provision. But he added that operating expenses had

Bankers Trust's non-performing assets at the end of 1981 were \$494m, up from \$421m the year before. The bank said this was because of the inclusion of loans "to a multinational company and to certain foreign countries," which it did not name. However, analysts believe the company is International Harvester, the Chicago transport equipment maker which is

seeking new terms for more than \$4bn of bank debt. Poland tries whose debts U.S. banks are reclassifying.

First Chicago, Chicago's second largest bank which is fighting its way back to financial health after the setback of 1979-80, showed a sharp jump in earnings for both the final 1981 quarter and the full year. But the size of the increase reflected partly the fact that last year's figures were deeply depressed by the large write-offs the bank was taking to rebuild its balance sheet.

Net income in the fourth quarter before securities transactions was \$36.4m or 91 cents a share, up from \$12.1m or 31 cents in the same period a year before. For the whole of 1981. First Chicago earned \$122.1m or \$3.06, up from \$66.1m or

Securities transactions prevent net loss at First Pennsylvania

BY OUR FINANCIAL STAFF

FIRST PENNSYLVANIA Cor-curred an operating loss of in California and the tenth n its final quarter leaving the ing company n the red for 1981. the \$73.6m loss in the previous First Penn, parent of the year. oldest bank in the U.S. and which is the largest in Philadelphia, received a \$1.5bn aid package in May 1980 to help save it from a liquidity crisis brought on by a mismatching of its fixed rate assets and variable rate liabilities. It has at best been only marginally pro-fitable since as it has battled

and returned to the red in its

BY RUPERT CORNWELL IN ROME

understood to have taken place in the ranks of the major share-

holders of Banco Ambrosiano.

the largest privately owned

Italian banking group which is

controlled by the controversial

It has been confirmed that

Sig Orazio Bagnasco, owner of

the Interprogramme/Europro-

financiar Sig Roberto Calvi.

TWO IMPORTANT changes are holding of up to 2 per cent.

programme Property leasing minority interest, variously

concern and of the Ciga luxury estimated at up to 5 per cent of

hotels group has acquired a Ambrosianos equity.

to restore order to its finances

poration has continued into loss \$6.1m compared with the \$45.4m largest in the U.S., saw its deficit in 1980, which left it with profits before securities trans-Philadelphia based bank hod- a \$5.2m loss for the year against

> transactions it was \$300,000 in the black for the year, while for the quarter the loss was unchanged at the net level. For the year the per share net

However, after securities

profit was 2 cents compare with the \$10.47 loss previously, with the closing three months contributing a loss of 38 cents a share against \$2.91.

• Security Pacific, holding com-For the latest quarter it in- pany for the second largest bank profits were \$7.05 against \$6.55.

similar to that taken three

months ago by Sig Carlo de

Benedetti, chief executive of

Meanwhile, it has been

reported that Istituto per le

Opere di Religione (10R)-

reffectively the Vaticans bank

-has disposed of its own

Shareholder changes at Italian bank

actions climb only modestly from \$49.9m to \$53.6m in its final quarter, leaving the annual total ahead from \$181.9m to \$207.2m. Per share profits for the year totalled \$7.08 against \$6.57, with an unchanged \$1.80 coming in the final three months.

After securities transactions the quarterly net contribution was unchanged although for the year net profits were \$700,000 lower compared with \$600,000 last time. Pe rshare annual net

Sig Bagnasco, one of the

emerging luminaries of the

Milanese financial establish-

ment, is currently embroiled in

an extended fight with trade

unions over his plans to reduce

the total workforce at Ciga by

600 over the next few months,

as part of his drive to put the

group back onto a sound foot-

ing. Under this strategy, the

from the previous L14bn.

German Ford steps up production

By Kevin Done in Frankfurt

€be FORD-WERKE. German subsidiary of Ford of the U.S., has staged a determined recovery following its disastrous year in 1980 and achieved a 13.9 per cent increase in production last year to 734,250 vehicles.

Sales rose by 10.3 per cent to 774,360 vehicles, with the major boost coming from the success of the new Escort. introduced in the autumn of 1980.

Last year the Escort was Ford's most popular model selling 276,140 units compared with 133,294 in 1980. In West Germany itself aggressive and expensive marketing campaigns, particularly in the first six months, enabled Ford to increase its new registrations by 10 per cent to 267,000.

Ford raised its share of the domestic German car market to 11.8 per cent compared with 10.3 per cent in 1980. Vehicle exports rose by 12.5 per cent to 501,800, representing 64.8 per cent of total production. against 63.6 per cent a year earlier.

Following the redundancies of 1980 the Ford workforce remained fairly stable last year and totalled 49,388 at the end of December, compared with 49,767 a year earlier.

After slumping to a loss of DM 462.8m in 1980 when prohotel concern recently lifted its | duction fell by a quarter, Ford capital to L37.8bn (\$30.7m) expected to have at least broken even last year.

Westfelenbank

All of these securities having been sold, this announcement appears as a matter of record only.



Can. \$50,000,000

Union Carbide Canada Limited

16% Debentures due January 15, 1989

Wood Gundy Limited Amro International Limited Commerzbank Aktiengesellschaft **Credit Suisse First Boston Limited** Orion Royal Bank Limited Société Générale

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Westdeuische Landesbank Grozentrale

January 1982

J. Vontobel & Co.

YEN STRAIGHTS tassed Bid Offer day week Yield Asian Day. Bk. 8% 91 15 100 101 0 -1'- 8.16 Australia 6°- 28 20 91'- 22'- +0'- +0'- 8.20 12 88°- 91'- 92'- +0'- +0'- 8.20 12 88°- 91'- 00'- 101'- 0 -0'- 8.18 101. Amer. Day. 8°- 91 15 100'- 101'- 0 -0'- 8.18 101. Amer. Day. 8°- 91 15 100'- 101'- 0 -0'- 8.39 100'- 101'- 0 -0'- 8.16 Average price charges. On day 0 on week -0'-Change on Change on Change on Change on Change on Change on Can. Utilities 17.96 Cs 59 1972, 355. -61. -01. 17.36 Footstal Dev. 172, 36 Cs 40 11022, 1032. 0 -11. 16.72 GMAC (Cac.) 18 57 Cs 50 11032, 1032. -01. -12. 16.70 Pantasadian 165. 36 Cs 55 1573, 3974. -01. -01. 16.59 Queb. Urban 165. 36 Cs 20 1103. 1014. 0 -02. 16.50 Roynst 177, 36 Cs 40 1107. 1014. 0 -02. 16.50 Tordom Cpn. 132, 35 Cs 30 932, 342, 403. -1 15.57 Nr. 38. Darmk, 9 31 SUA 25 933, 36 9 +12. 11.75

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centage premium of the current effective price of acquiring shame via the bond over the most price of the shares. O The Financial Times Ltd., 1982. Reproduction in whole or in part in any term not committed without written consent. Data supplied by DATASTREAM International.

Mitsubishi N. 6 89 DM 2/82 263 95° 100°, -0°, -0.57

* No Information available—previous day's price.
† Only one market maker supplied a price.
Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in biflions. Change on week = Change over price a week earlier.
Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin shows six-month offered rate († three-month: § above mean rate) for U.S. dollars. C.cpn = The current coupon.
C.yid = The current yield.
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(Incorporated with limited liability under the Commercial Code of Japan)

51/4 per cent. Convertible Bonds Due 1997



The following have severally agreed to purchase the Bonds:

Daiwa Europe Limited

Credit Suisse First Boston Limited

Swiss Bank Corporation International Limited

Amro International Limited

Banque Nationale de Paris

Deutsche Bank Aktiengesellschaft Kleinwort, Benson Limited

Sumitomo Finance International

Robert Fleming & Co. Limited Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

The National Commercial Bank (Saudi Arabia) J. Henry Schroder Wagg & Co. Limited

The Nikko Securities Co., (Europe) Ltd. Société Générale de Banque S.A. Yamaichi International (Europe) Limited

The Convertible Bonds Due 1997 of \$5,000 each, issued at 100 per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Bonds.

Interest is payable semi-annually, in arrears, on 31st March and 30th September in each year, except that the first interest payment will be made on 31st March, 1982 in respect of the period from 4th February, 1982 to 31st March,

Particulars of the Bonds are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 3rd February, 1982 from the brokers to the issue:

> Vickers da Costa Limited, Regis House, King William Street. London EČ4R 9AR.

20th January, 1982.

This announcement appears as a matter of record only.



Polysar Limited

(Ontario, Canada)

Dfls 31,500,000 Term Loan

Arranged and provided by

NIVIB BANK

Nederlandsche Middenstandsbank N.V.

in association with

Chase Merchant Banking Group

October 1981

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\$50,000,000 (Canadian)

General Motors Acceptance Corporation of Canada, Limited
(Incorporated under the laws of Canada)

*16*½% NOTES DUE FEBRUARY 1, 1989

Payment of principal, premium if any and interest unconditionally guaranteed by

GENERAL MOTORS ACCEPTANCE CORPORATION
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The Managers have agreed to purchase the Notes:

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UNION BANK OF SWITZERLAND (SECURITIES)

WOOD GUNDY Limited

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Particulars relating to the Notes, the Issuer and the Guarantor are available in the Extel Statistical Services Limited and may be obtained during normal business hours on any weekday up to and including February 3, 1982 from the brokers to the

Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN.



US MANAGEMENT RESHUFFLE

Renault tightens grip on AMC

BY TERRY DODSWORTH IN PARIS

of the strings at American their cars. Thus the aim is for Motors (AMC), the small car a gradual change as Renault and Jeep manufacturer.

Following this week's top management reshuffle. M Jose Dedeurwaerder, one of Renault's recognised high fliers, has merged as managing director and effective number two in the American group. His job will be to mastermind the introduction of a Renault-designed car in the U.S., using Renault-planned production lines, many Renault supplied machine tools, and some Renault funds.

With the French company also owning 47 per cent of AMC's equity, the change looks like just another step in the steady process towards colonisation of American company,

Renault itself, however, is playing the whole affair with a very low profile. AMC, says the French nationalised group, remains an American concern, managed mainly by Americans. Mr Gerald Meyers, whose resignation as chairman caused the reorganisation, went of his own accord. There is no intention to manage AMC from Paris, and no plan to raise the French stake in the U.S. company.

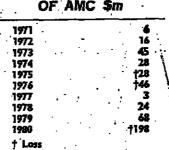
This discretion derives from the French group's strategy of using the basic American Motors organisational structure itself in North America.

Renault moved in on AMC primarily because of the U.S. group's "Americanism." It wanted a ready-made partner in North America which knew

LITTLE BY little, Renault of the market, had a sales network plan is to be producing about france is moving into a position (about 2,200 outlets), and a feel 600 vehicles a day at the AMC where it pulls more and more for what Americans wanted in plant at Kenosha, running up to those of AMC. It is not difficult to find 110,000 last year and Renault's utiles of these tactics. Some sales, if all goes well will also

critics of these tactics. Some

NET PROFITS OF AMC \$m



think Renault would have done better to take the plunge, like Volkswagen, a North American operation entirely under its own management and control. Many are sceptical about the worth of AMC, which lost \$198m in 1980, may have lost another \$100m last year, and could, it is reckoned, drain further funds out of the French com-Renault has already pany. or will be spending,

around \$350m on AMC. Renault's response to these attacks will begin to be felt later this year. In June, the American version of the R9,

800 in 1983. With an output in this range—between 150,000 and 200,000 a year-AMC's production will bound up from rise from their present lowly

level of 30,000. By producing in the U.S., while reaping the advantages of selling in the world's two largest markets, Renault is hoping to get the AMC R9 into the salesrooms in America at around the same price as the Ford Escort—a car planned on a similar two-continent basis. The cost to AMC is calculated at between \$300m and \$350m. financed from its own resources and local banks.

The R9, a small car by tradi-American standards, ighly economical, and made on Renault - conceived robotised production lines, is an enormously important mode for the French company. If it fails, a substantial part of Renault's American dream collapses with it. If it succeeds, it will be a sion of the Renault/AMC links, which include a new \$300m Jeep range planned for introduction during 1983-1984.

M Dedeurwaerder's role in all this is for the moment at least, to male sure that American R9 comes brough its launch period as smothly as possible. After bringin the car into production in Frane at the Donal plant on revolutionary automated produc-Europe's car of the year, will revolutionary automated produc-begin to roll off the AMC pro-tion line, he is not being asked duction lines. By December, the to do the same thing at Kenoshar

Whether that means that he or some of the 30 or so French technicians now working in the U.S., may eventually entirely colonise the American group remains a matter for specula tion. Renault maintains that it's original concept of a two-way collaboration remains well on course: it is currently up, for example, to sell the new range of economical Jeeps in

But it is difficult to see how over the long term, the much larger French group can avoid becoming the driving partner in the relationship.

The disparity between the two is best measured in the produc-tion figures, with AMC's 110,000 vehicles of last year amounting to only 6 per cent of Remault's total output. Yet in addition to that difference, most of the flow of materials is one way at the moment, with the French company aiming to sell more cars in North America (including the R18 diesel and the Fuego injec-tion and nurbo models), as well as mechanical parts in the U.S version of the R9.

It is calculated, for example that up to 50 per cent of the main components in the new car will be exported from France, while at least FFr 400m (\$69m worth of its own machine tools have also been supplied to the U.S. AMC has already become the sort of investment that has to be controlled very closely, even more so at a time when French taxpayers are likely to become particularly sensitive to the doings of the nationalised

Bankers consider bankruptcy for Ogem

BY CHARLES BATCHELOR IN AMSTERDAM

BANKING consortium which has provided a financial package for the rescue of the Dutch conglomerate Ogera is to review the company's future. It may file for bankruptcy later

The six Dutch and 15 foreign banks, which agreed in 1980 to provide a financial "umbrella" while Ogem carried out a restructuring, will meet company and Government representatives on Friday to discuss a solution to its continuing problems. Ogem's efforts to sell large parts of its trading and industrial empire have met with only partial success.

banking consortium, which is led by Algemene Bank Nederland (ABN), Amsterdam-Rotterdam Bank, and Bank of America, are considering how to limit the damage of a disposal target.

BY JOHN WICKS IN ZURICH

The cuts will take place gradu-

pany as a direct result of com-

Wessanen

may expand

in Malaysia

By Our Financial Staff

Friwessa and the other a joint

venture company with Dunlop and Timuran of Malaysia, called

Segemat Edible Oils, in which

Wessen has a 25 per cent

Mr Vervelde said demand for cocoa butter substitutes would

increase, as cocoa fats were expensive. Palm Oil was cheaper and world demand for vegetable

acquired control of International

BULOVA WATCH, a Swiss sub- poor.

possible bankruptcy. Ogem comprises companies with both good and poor prospects. questionable whether bankruptcy is the best solution for the group as a whole, said Mr Hargert Langman, a managing

board member of ABN. Ogem's bankers provided FI 630m (\$250m) credit for a two-year period in 1980. Last year the State-backed National Investment Bank provided a further Fl 75m in loans, and the banks extended their credit to January 1984. In return for this support-

Ogem agreed to dispose of activities with a net asset value of Fl 400m. In 1980 it sold assets worth Fl 133m, slightly less than its Fl 150m target Last year it sold considerably less than the FI 150m annual

the watch company the fifth

U.S. markets. The link with

Elektro-Finanz

By Our Zurich Correspondent

THE ACQUISITION of the Swiss Elektro-Finanz company by the Essex Group subsidiary of United Technologies of the

U.S. will create the world's largest independent producer of electrical wires, cables and

insulation materials, according to United Technologies.

Joint annual sales of Essex and Elektro-Finanz would

Over 99.9 per cent of the shareholders of Elektro-Finanz have accepted the \$67m cash

and notes bld made through

Essex Isola a special affiliate. Essex is hoping to benefit

from the experience of the Elektro-finanz subsidiary Isola-Werke, particularly in the field of insulation technology. In turn

Essex will provide the Swiss

subsidiary with technical sup-port in the wire production and

International Metals has con-

accepts U.S. bid

Bulova Watch plans big

reduction in workforce

sidiary of Loews Corporation. In 1980 Bulova contributed the diversified U.S. industrial only 0.7 per cent of Loews' net

group, plans to cut its workforce operating profit of \$222m from 700 to 300 over the next despite a sales contribution of year or so.

4 specific profit of \$222m despite a sales contribution of almost 5 per cent, which made

ally up to 1983, but some 300 largest division within Loews

this summer, the company said vesterday. It will cease production of watch movements and will in the future buy components, mostly from the Swiss movement assembly.

company. Ebauches, which is The co-operation between part of the Asuag group.

Bulova said the contraction enabling the Swiss watch inhad been forced on the comdustry to retain its position in

petition from the Far East. Its Asuag will also cover marketing

people will lose their jobs by in terms of turnover.

recent trading record has been and Swiss design.

NEDERLAND

may move part of its palm oil refining factory and activities currently in the Netherlands to Malaysia, Mr K. K. Vervelde, the managing director, said so as to enable it to concentrate on more sophisticated activities such as the production of cocoa butter substitutes.

The company already has two palm oil projects in Malaysia. One is a wholly-Wessanenowned trading company called Friwessa and the other a joint law accepted the company accepted the company accepted the company called for the company c

oils was increasing, particularly treating sectors and allied in the Middle East.

National Steel acquisition

NATIONAL STEEL, one of the aluminium production and steel

Metals the Luxembourg-based centrated on processing and trading raw materials for the cessing group.

The move is understood to be since it was established in 1959

part of National Steel's current by American Interests. The raw broadening of its operations to materials dealt in include ores, oclude raw materials and fin-minerals, ferro-alloys, metals

eading U.S. steelmakers, has fabrications.

ancial services, together with and refractories.

force of 3,460.

with between them a turnover of Fi 1.05hp and a work-

The slow pace of disposals had transferred control of some has prompted Ogem to put two of its subsidiaries to its large trading subsidiaries up bankers for sale. Thet are the Stokvis Ogem, which began as an Group and the New African electricity utility in the Datch Trading Company (NAHV), colonies, developed frading with between them a turn engineering metals: processing

and installation interests in the orce of 3,460. \ 1950s. It later developed con-The company his transferred struction activities but the considerable povers to its rapid rate of expansion over-bankers in return ir credit and stretched the company's manage-ABN carries out a monthly ment resources and it went into review of the company's the red in 1979. creditor and stock pisition. At It incurred a net loss of a stormy shareholder, meeting FI 118.5m in 1980. First half

last May, Ogem revealed that it losses in 1981 totalled Fl 11.6m



To the Holders of

International Income Fund

Short Term 'A' Units

Distribution Units - in Bearer Form Short Term 'B' Units

Distribution Units - in Bearer Form Long Term Units - All Holders Midland Bank Trust Company (Channe Islands) Limited as:

Trustee of the above mentioned Funt has declared the following dividends per Unit for the financial period ended 31st December, 1981, psyable on the 29th January, 1982, in respect of Units in issue on 31st December, 181:— Short Term 'A' Units - Distribution Units

US\$0.0575 per Unit - payable against Cotoon No. 1. Short Term '8' Units - Distribution Units US\$0.0550 per Unit - payable against Coupy No. 1, Long Term Units

US\$2.00 per Unit - payable against Coupon lo. 21. Unit holders should send their Coupons to eithe the Trustee at 28/34 Hill Street, St. Helier, Jersey, Channel Hands or to one of the following Paying Agents:--

Bankers Trust Company, One Bankers Trust Faza, New York, N.Y. 10005, and Dashwood House, 69 Old Broad Street, London 5:2P 2EE. Banque Générale du Luxembourg S.A., 14 Rue Adringen,

Arrangements have been made whereby holders of it Long. Term Units in issue at 29th January, 1982 may reinest the dividend paid at that date in additional Units at a puchase price equal to the Net Asset Value per Unit at 1st February, 1982 (as an indication, the Net Asset Value per Uni was US\$19.68 on 11th January, 1982). This right will be terminated. at the close of business on 28th February, 1982. Long and Unit holders who desire to reinvest their dividend shuld advise the Trustee or Paying Agent accordingly went presenting their coupons for payment.

Midland Bank Trust Company (Channel Islands) Limited

Deted 14th January, 1982



The Republic of Panama U.S. \$50,000,000

Med in

pe Porte.
pe Porte.
pe Porte.
pe Porte.

Floating Rate Serial Notes due 1991

For the six months 21st January, 1982 to 21st July, 1982

In accordance with the provincement the Notes; notice is hereby given that the rate of interest has been fixed at 15 % per cent, per armust, and that the infer payable on the relevant infinitely payment date, 21st July, 1982 against Companion 6 will be U.S. \$788.73.

ended 30.6.81

4,053*

4,056

3,634

3,630

1,725

30.6.81

19,766

13,824

590

:FREE:STATE DEVELOPMENT AND

INVESTMENT CORPORATION LTD.

(Incorporated in the Republic of South Africa)

ended 31.12.81

R000

162

1,138

3,630

15.0

at 31.12.81

16,933

707

6 months 6 months

ended 31.12.80

1,316

1,091

3.630

31.12.80

791

15.0

INTERIM REPORT AND INTERIM DIVIDEND

Unaudited financial results

Net revenue excluding profit

on realisation of investments Profit on realisation of invest-

Profit before taxation

Profit after taxation

Number of shares in issue

(000's)

Dividends per share—cents

-Anal

Collieries Ltd.

Listed investments

Market value

Appreciation

book values)—cents

Net asset value per share (including unlisted invest-

ent and mineral rights at

Tin Mining Company Ltd. has been sold.

before payment of the interim dividend.

Cost of dividends, R000

interim

Includes the special dividend of R1.275m

Taxation

Singapore Airlines is re-equipping in the face of recession. Kevin Rafferty reports.

SIA sets \$1.8bn growth course

MR J. Y. M. PILLAY, charman of Singapore Airlines, educits that the company's decision to buy new let aircraft worth U.S.\$1.8hn is its biggest gamble, and that in strictly financial terms it might be better to continue with the continue w tinue with its existing fleet He justifies the purchase as an investment in Singapore Air-lines continuing pursuit of

"Between 1982 and 1985 we would undoubtedly be better off financially with the existing aircraft," Mr Pillay says, "There would be far dewer headaches. But it would certainly detract from our reputation as a progressive airline trying to offer the customer the best. And come the latter half of the 1980s there would be major problems. The decision was put to the hoard and the overwhelming consensus was that it was a big risk financially, but to preserve our reputation in the future we had to go shead with the purchases."

The expansion of SIA's fleet is smaller than the new aircraft orders might suggest. The ziriine is to buy eight Boeing 747s with stretched upper decks and has options on two more. It has also ordered six Airbus A 300s: with options on two Airbus A 310s.

However, the net addition to five years.

the fleet will be only two aircraft, as SIA is to sell its four remaining DC-10s, its four Boeing 727s and its four oldest Boeing 747s, powered by the less fuel-efficient Pratt and Whitney JT9D-7A engines. In terms of seat capacity SIA willbe able to offer an additional 10 per cent a year between now and the mid-1980s.

By that time, the airline will have a modern fleet consisting of 12 Airbuses for its shortand medium-hanl routes and 20 Boeing 747s for the long-haul sectors. The Boeings already in the fleet are powered by Pratt and Whitney JT9D-70 engines and the new ones will have even more fuel efficient Pratt and Whitney JT9D-7R4G2 or Rolls-Royce RB211-524D4 en-gines. The decision on the engine order, with spares worth \$160m; will be taken by next

Even so the financial burden of buying new aircraft is considerable. Sale of the older aircraft may yield \$500m up to 1985, and Mr Pillay calculates that SIA will not have to borrow to pay for its new aircraft. But it will almost certainly have to borrow to meet other which total about (U.S.\$1.4bn), of which S\$3bn S\$2bn falls due over the next

over the past few years, with revenues reaching S\$2.3bn (U.S.\$1.1bn). Yet the chairman works only three days a week at SIA-when the piped music tends to be classical.

The rest of his time is spent at the Development Bank of Singapore, of which he is chair-

Singapore Airlines believes the maintenance of its reputation for quality is worth the risks involved in its heavy

spending on new aircraft

man, and at the Finance Ministry, where he is Per-manent Secretary in charge of revenue. Mr Pillay takes the lead in setting SIA's strategy, leaving day to day matters to Mr Lim Chin Beng, the airline's managing director. Mr Pillay has laid down a

corporate motto for the airline. We aim to provide the best service the airline industry is capable of at the lowest cost

In common with other Asian year strengthened its computer

SIA has soared into the top airlines, it has refused to join league of airline companies the International Air Transport Association, the airlines' cartel. "IATA tried to regulate even the sizes of the sandwiches we could offer," says Mr Pillay. The Asian carriers, with their free drinks and headsets and other frills, have seen the European giants capitulate on such matters, at least within Asia.

SIA married local tradition to Western high fashion when it got Pierre Balmain to design the sarong kebaya uniforms of its stewardesses. It has tried to woo the flying public to an airline offering service that other airlines dream of.

1980-81 SIA managed to stay profitable, but the group's after-tax profits of S\$117m and airprofits of S\$94.8m were much higher than the pre-tax profit from airline operations. which was only \$\$18.2m. Load it as "squeling before it is factor slipped to 69 per cent. hurt."

The low proportion of airline operations in profits reflects in part SIA's attempts at ersification. In addition to immediate support services, such as airport terminal services, duty free shops and Singapore aero engine overhaul, it has hotel interests, runs an

operations by signing an agree ment with IP Sharp Associates The SIA chairman admits that not all these ventures have been successful, and concedes that the hotel business was one

However, Mr Pillay claims that SIA will still be in the black this year but says it has been hit by tough competition and by the strength of the Singapore dollar, which together will make it difficult to achieve the same level of operating profits.

of SIA's failures.

The airline has also faced accusations of illegal price cutt ing, which led to a row with But life in the early 1980s West Germany when the has become more difficult. In Federal Republic's Government refused to confirm SIA's winter schedules, and to Civil Aero-nautics Board hearings in the U.S. So fiercely has the airline responded to these criticisms that some Singaporeans describe

Mr Pillay's case is essentially that SIA has been singled out as a scapegoat because of its success. "We would like a clean market where there is transparency of fares. We can always hold our own because we believe we have a superior product." He pleads for airproduct." insurance company and late last lines to be allowed greater freedom to set fares.

FAI again bids for insurer

The offer values MMI a strong minority in the company, in which Nationale Nedera 50 per cent stake.

beaded by Mr Larry Adler, bid A\$4 a share, but was outbid by OBE, which was in turn outbid by NN's A\$6 a share offer.

FAI's holding in MMI to the Dutch group's offer and with the profit from this sale has been steadily building a base from which to launch the latest offer.

of A\$6.95 a share.

roughly 30 per cent of the MMI's total capital through the bid, and by the close of trading on Tuesday the company had 22.5 per cent.

makes two acquisitions

BY WONG SULONG IN KUALA LUMPUR

ASSOCIATED PLASTICS In interests. dustries (API), a restructured Malaysian property company, has made two acquisitions valued at nearly 62m ringgit

(\$27.4m). API said it is to take a 62.7 per cent stake in Sarawak Motor Industries through an exchange of three of its own shares aiged at 2 ringgit each for four of SMI's shares. It is to purchase 18.46m shares from family interests and associates of Tan Sri Rahman Yakub, the former Chief Minister and present Governor of Sarawak, forits 62.7 per cent stake but is to extend the offer to other share-

SMI has the franchise for Japanese Hipo vehicles and also. assembles Toyota trucks and Mitsubishi cars. It also has property development and logging the API initials.

The second acquisition by API is a 13.5 acre site in Johore Baru, South Malaysia, where approval has been given for nearly 400 units of flats and commercial buildings.

The land is valued at 25m ringgit and API will issue 12.5m shares at 2 ringgit each to pay for the acquisition.

The acquisitions will increase API's paid-up capital to 137m shares of one ringgit each, with a net tangible asset backing of 1.44 ringgit each. API is being traded on the Kuala Lumpur Stock Exchange at around 3 ringgit.

. To reflect its new image directors propose to change the name to Allied Properties and Industries, thereby

Malaysian property group | CSR expects downturn in annual earnings

BY JOHN WICKS IN ZURICH

EARNINGS of CSR, Australian natural resources national group, will "inevitably "decline acquired for the current financial year ending March 31. This will follow the 45 per cent increase, to A\$112.1m (U.S.\$125m) for fiscal 1981, when group turnover rose by 31 per cent to

Mr Gordon Jackson, CSR eneral manager, attributed the expected drop particularly to continued weak prices for sugar and aluminium. The fall in the sugar price had been largely responsible for a 30 per cent decrease in the Sydney group's earnings in the half-year ended September 30.

Prospects for the group were good in the medium term, said Mr Jackson at a Zurich strategic hold presentation. Top priority was oil company.

the development of Delhi Inter-Oil Corporation. acquired by CSR in November, where "significant benefits" are expected from its oil and gas activities in Australia after next

After the downturn in the first half of fiscal 1982, CSR has taken steps to cut costs and rationalise operations in the concrete sector and elsewhere. At the same time, an improvement in coal prices and better results from its building materials division have gone towards offsetting the effects of

the poor sugar price.

Mr Jackson said that the company would welcome a "modest amount" of foreign portfolio investment but would not, however, want anything like a strategic holding in CSR by an

dividend of F7 with a tax credit of F3.50, i.e. a total dividend of F10.50. In 1981 the interim dividend amounted to F6.

This dividend is payable from 1st February 1982, against coupon no. 33.

The Chairman stated that the activities of higher for 1981.

has launched a takeover bid for Mercantile Mutual Insurance almost a year after making its first attempt to gain control of

seen as an autempt to gain a

Nationale Nederlanden acquired its controlling stake after FAI triggered a bid battle with QBE Insurance, part of the Burns, Philp group. FAI,

Mr Adler tendered half of

FAI is currently offering A\$2.18 a share, which is well below the MMI's asset backing

Moët-Hennessy

Interim Dividend Increased

At the meeting of 8th January 1982 the Board of Directors declared an interim and to F9 with the tax credit.

the Group were very satisfactory and confirmed that the turnover and consolidated results would be significantly

AI INSURANCE of Sydney

A\$35.3m (US\$39.3m) but is only

landen, the Dutch insurer, has

Mr Adler expects to win

(2) No provision for possible losses on future realisations of investments has been included in the results, as any necessary adjustment is made at the year-end. It should not be assumed that the results for the first six months of the financial year will be repeated in the

remaining six months, because (a) income from investments does not accrue evenly throughout the year, and

At 14th January, 1982, the net asset value was 671 cents.

A further 1,600 shares in Winkelbaak Mines Ltd. and 15,000 shares in Rooiberg Tin Ltd. have been acquired and the company's remaining holding of 98,000 shares in Zaaiplaats

(1) The net asset value for the half-year has been calculated

(b) the realisation of investments fluctuates in accordance with policy decisions and market conditions. For and on behalf of the Board, B. J. JACKSON, Directors

Directors DIVIDEND NO. 19
An interim dividend of 15 cents per share has been

declared for the six months ended 31st December, 1981. 12th February, 1982 Last date for registration Registers close (dates inclusive) from 13th February, 1982 to 20th February, 1982 Currency conversion date

(for payments from London) 1st March, 1982 The dividend is payable subject to the customary conditions which may be inspected at or obtained from the company's Johannesburg office or from the office of the London Secretaries (Barnato Brothers Limited, 99, Bishopsgate, London EC2M 3XE).

> By order of the Board JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED Secretaries per: D. J. BARRETT

Head Office and Registered Office: Consolidated Building, Corner Fox and Harrison Streets, Johannesburg, 2001. (P.O. Box 590, Johannesburg, 2000).

19th January, 1982.

This announcement appears as a matter of record only



Società per Azioni Finanziaria Industria Manifatturiera

£75,000,000

Revolving Acceptance Credit

Ente Partecipazioni e Finanziamento Industria Manifatturiera

> arranged by S. G. Warburg & Co. Ltd.

> in conjunction with Sodific International S.A.

The Mitsubishi Bank, Limited The Sanwa Bank, Limited

Allied Irish Investment Bank Limited

Banque de l'Indochine et de Suez Brown Shipley & Co. Limited

The Daiwa Bank, Limited The Hokkaido Takushoku Bank, Limited

Commerzbank Aktiengesellschaft (London Branch) Crocker National Bank Bank für Gemeinwirtschaft Aktiengesellschaft

Banque de Paris et des Pays-Bas Charterhouse Japhet plc

> Guinness Mahon & Co. Limited The Kyowa Bank, Ltd.

The Taiyo Kobe Bank, Limited

The Long-Term Credit Bank of Japan The Mitsubishi Trust and Banking Corporation N. M. Rothschild & Sons Limited

The Mitsui Trust and Banking Company, Limited The Saitama Bank, Ltd.

S. G. Warburg & Co. Itd.

December 1981

This announcement appears as a matter of record only

Tradinvest Purchasing Company Limited, Bermuda

£150,000,000

Acceptance Credit Facility

Snam S.p.A.

managed by

S. G. Warburg & Co. Ltd.

Allied Irish Investment Bank Limited

Banque de l'Indochine et de Suez (London Branch) Commerzbank Aktiengesellschaft

Société Générale

Soditic International S.A. Amsterdam-Rotterdam Bank N.V.

Barclays Merchant Bank Limited The Sanwa Bank, Limited

Standard Chartered Bank Limited

provided by

The Sumitomo Bank, Limited

The Sumitomo Bank, Limited

The Sanwa Bank, Limited Allied Irish Investment Bank Limited

Central Trustee Savings Bank Ltd. Williams & Glyn's Bank Limited

Barclays Bank Group

The Yasuda Trust and Banking Company Bank für Gemeinwirtschaft Aktiengesellschaft

Banque de Paris et des Pays-Bas (London Branch) Crédit Industriel et Commercial

The Hokkaido Takushoku Bank, Limited

Swiss Bank Corporation

Grindlays Bank Limited

Commerzbank Aktiengesellschaft (London Branch)

Standard Chartered Bank Limited Amsterdam-Rotterdam Bank N.V. (London Branch)

Banque de l'Indochine et de Suez (London Branch) The Mitsui Trust and Banking Company Limited

> Société Générale Australia and New Zealand Banking Group

Bank of New Zealand The Chuo Trust and Banking Company Limited

The Mitsubishi Trust and Banking Corporation

Limited

Gray Dawes Bank Limited

Guinness Mahon & Co. Limited

S. G. Warburg & Co. Ltd.

Acrent Bank S. G. Warburg & Co. Ltd.

December 1981

Swiss pharmaceutical groups strengthen their position

By John Wicks in Zurich

SWISS CHEMICAL companies are feeling justifiably pleased with the way their pharmaceutical business grew last year. In the first half of 1981, the Big Roche, Ciba-Geigy and Sandozbooked sales growth in this sector of between 19 and 25 per cent. Hopes that demand would keep up during the remainder of the year seem to have materialised; in the January-October period total Swiss pharmacentical exports were nearly 16 per cent higher than for the same 10 months of 1980.

The sharp rise in the Swiss franc exchange rate recently, of course, means that the rise in turnover will have been less marked for the second half of 1981. Export markets take all but a small share of domestically-produced pharmaceuticals, while the sales of foreign subsidiaries are naturally expressed in Swiss francs in group statistics. Despite this pharmaceutical

dustry,

Major corporations

What's more, no bank is backed by a stronger

risks as well as opportunities. Our skill lies in

problems with the resources to implement

We are as reliable in handling trade finance as

multinational projects. We are as much at home

We operate in depth across five continents and

when assembling finance for the biggest of

in our domestic markets overseas as in the

international capital and money markets.

combining realistic advice on complex financial

In an unsettled world we know there are business

expect a superior

banking service.

capital structure.

practical solutions.

sales appear to have developed well in 1981. This fact is of considerable importance to the Swiss chemical industry, a good 40 per cent of whose substantial output is accounted for by pharmaceutical products.

Of the Basie-based companies, share in consolidated turnover of 45.6 per cent in the first the relative weakness of the

LEADING SWIS	S PRUDUCE:	NS 1979
•	Turnovel	in SwFr m
Ciba-Geigy (Pharmaceutical division)	3,213	2,729
Hoffmann-La Roche (Pharmaceutical division)	·2,600	2,403
Sandoz (Pharmaceutical division)	2,384	2,145
Zyma*	250	261

half of 1981, which it feels might Swiss franc during the first have increased to over 50 per eight months of 1981, but it does cent for the year as a whole. Hoffmann-La Roche's pharmaceutical share has been falling in recent years but seems to have stabilised at around 44 per cent of group sales, even ex-cluding the allied sector of vitamins and fine chemicals. At diaries. Ciba-Geigy, the pharmaceuticals division accounted for a good 28 per cent last year, compared with only 17-18 per cent in calendar 1979 and 1980.

Apart from the above-average growth of pharmaceutical sales within the Swiss chemical inexports of pharmaceuticals from Switzerland last year rose much faster than those of competitor countries. This was admittedly aided by

appear that the Basle comcanies were able to strengthen their already important position on world markets. At the same time, everything points to a healthy increase in the local sales of the Swiss companies' foreign manufacturing subsi-

For all this, profits from the pharmaceutical sector are lagging far behind the growth in sales. Pills and medicines are proving less and less of a gold mine. Despite the increase in turnover, spokesman Dr Karl Bucher said at last autumn's Press day of the Swiss Society of Chemical Industries, few pharmaceutical firms were feel- years. particularly

12 years to reach the market. There are no short cuis in

research. On average, 10,000 to 15,000 substances have to be synthesised or extracted before made up of university or college With raw material, energy

busy looking for ways to save money. Early last year, Roche scrapped 90 jobs in its Basie research division and decided search division and decided if not impossible to pass on close its Research Institute higher costs to the market. Marine Pharmacology in

about their earnings prospects. Basie companies are about to are growing fast, inflation has

ducing and marketing prescrip- in their increasingly multition pharmaceuticals is high national concerns. Switzerland and rising fast. Research and is still considered one of the development activities are par-few really desirable locations ticularly expensive. The Basle for both research and sophistiproducers, which earmark some cated production facilities. At 15 per cent of their pharmaceuthe same time, though, future tical turnover for R & D use, reckon to spend anything up branches of the chemical to SwFr 100m (\$56m) on the industry, is likely to take place introduction of a new speciality, abroad rather than at home. which today could take 10 or This makes sense in view of the rising Swiss franc and also because of the chronic lack of 113Mbomet

a single new pharmaceutical is little chance of offsetting developed. With one-third of rapidly increasing development the chemical industry's payroll and manufacturing costs by putting up sales prices. Not least graduates in Switzerland, labour because of growing cost prescosts alone are huge—especially sure on the world's social with Swiss inflation at a six-year security services, pharmaa considerable degree of official and capital costs also running control. Either through direct high, the Swiss companies are price restraint measures or indirectly by the encouragement of cheap replacement products

In the first 10 months of Australia, while in August 1981, the average price of Sandoz announced an 11 per pharmaceuticals exported from cent cutback in total parent Switzerland was up by only 2.9 per cent on the corresponding period of last year. On the This does not mean that the home market, where imports



The growing costs of development: researcher at a Roche laboratory

pharmaceutical prices in the and the erosion of patent propast four years. The recent jump in the exchange rate will make it very difficult to put up Swiss franc prices in the near

Switzerland's chemical companies must, regardless of cost,

tection mean that fewer items will remain major money time. In 1980 and apparently last year, too, new products bution to rising turnover. All research based manufacturers, whether the Big Three or smaller companies like Zyma or Siegfried, have interesting additions to their sales programme important developments as Roche's pioneer work in the field of interferon processing or Ciba-Geigy's systems of trans-

dermal dosing.
All producers are well aware of the increasing difficulties the dangers to which products can be exposed after registration. A case in point is the "Smon" affair in Japan, where Ciba-Geigy paid some SwFr300m (\$169m) in compensation, even diarrhoea agent Meraform was inflation-accounting pr

Health Organisation following charges (effect recently denied by the U.S. Food and Door Administration) that it can lea

to addiction, Whatever now beginning to build up a position outside the prescription sector. Interesting recent take over of the Exlar proprietary laxative line by Sandoz, or the position taken up by both Croa Geige and Nestle also in the U.S. in the fast-growing contact-lens

New products generated พน่าวันเก acquired in certainly need it. In 1980, ne and Sandor equalled only 4 per though it never accepted the cent of group turnover. In the contention that its anti-case of Ciba-Geigy, new a proven cause of the disease. brought the return down to Now Valium, the product which 2.6 per cent, but even willout iong accounted for a major these the yield would have been share of total Roche profits, is only 43 per cent.

Lloyds Bank a fresh approach to international banking



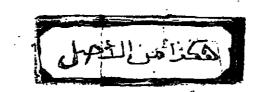
conduct business in over a hundred countries. Yet our management remains a close-knit team of professionals; and we are structured expressly to enable them to communicate freely across

It's because we are integrated that wherever you deal with us-

- You lock into a geographic network and range of services matching the best
- You tap a fund of expertise and reserve of knowledge second to none
- You secure the fast and sure response that gives you the edge

A fresh approach to international banking





BASE LENDING RATES

A.B.N. Bank	Grindlays Bank
ABN. Bank 141%	# Guinness Mahon 1449 7
American Express Bk. 144%	Ellambar Rook 1440. 1
Amro Bank 144%	Heritable & Gen. Trust 144% Hill Samuel \$144% C. Heare & Co. 1141%
Henry Ansbacher 144%	Hill Samuel \$1419,
Arbuthnot Latham 141%	C. Heare & Co
Associates Cap. Corp. 15 %	Trongroup of consular 1444
Banco de Bilbao 141%	Knowsiev & Co. Ltd 15 %
BCCI 1473 Bank Hapoalim BM 1475	Lloyds Bank 141%
Bank Happalim BM 144%	Mallinhall Limited 144%
Bank Leumi (UK) plc 141%	Edward Manson & Co. 151%
Bank of Cyprus 141%	Midland Bank 141%
Bank Street Sec. Ltd. 16 %	Samuel Montagu 141%
Bank of N.S.W 141% Banque Belge Ltd 141%	Margan Grenieu144%
Banque Belge Ltd 141%	National Westminster 144%
Banque du Rhone et de	Norwich General Trust 141%
la Tamise S.A 15 %	P. S. Refson & Co 141%
Barclays Bank 144%	Roxburghe Guarantee 15 %
Beneficial Trust Lid 1510.	E. S. Schwab 141%
Bremar Holdings Ltd. 151%	Slavenburg's Bank 141%
Bristol & West Invest 16 %	Standard Chartered 141%
Brit. Bank of Mid. East 141%	Trade Dev. Bank 141%
Brown Shipley 15 %	Trustee Savings Bank 1419 TCB Ltd. 1419
Canada Perm't Trust 15 %	TCB Ltd 141%
Cavendish G'ty T'st Ltd. 151%	United Bank of Kuwait 141%,
Cayzer Ltd 15 %	Whiteaway Laidlaw 15 %
Cedar Holdings 15 %	Williams & Glyn's 141% 1
Charterhouse Japhet 15 %	Wintrust Secs. Ltd 1419%
Choniartons 15 %	Yorkshire Bank 141%
Citibank Savings 115 %	Members of the Accepting House >
Clydesdale Bank 141% C. E. Coates 15 %	Committee.
C. E. Coates 15 %	7-day deposits 12.50%, 1-month 12.76%. Short term £8,000/12
Consolidated Credits 141%	months 15.10%.
Co-operative Bank*144%	7-day deposits on sums of £10,000-
Comminian Secs 144%	and under 124%, up to 150,000
The Cyprus Popular Bk, 141%	13% and over £50,000 13%,
Duncan Lawrie 141%	Call deposits £1,000 and out
Eagil Trust	124%.
E.T. Trust 141%	Demand deposits 125%.
First Nat. Fin. Corp 17 %	21-day deposits over £1,000 13-24
First Nat. Secs. Ltd 17 %	T bfortgage base rate.

To the Holders of

Williams & Glyn's Bank Limited

Floating Rate Capital Notes 1984

On behalf of Williams & Glyn's Bank Limited, notice is hereby given that, in accordance with the terms of condition 7 (c) of the Trust Deed dated 22nd February, 1977, all of the outstanding notes will be redeemed at their principal amount, together with interest accrued, on the next designated interest payment date, which is February 26, 1982. From and after such interest payment ment date interest in respect thereof will cease to accept and all unmatured coupons appertaining thereto will become void. Payments of principal and interest will be made against surrender of notes and coupons at any specified office of any of the Paying Agents.

This notice is published on behalf of Williams & Glyn's Bank Limited by the Principal Paying Agent in accordance with the terms of payers and 3 (11) and the Paying Agent in Secretary. ance with the terms of paragraph 3(ii) of the Paying Agency Agreement dated 22 February, 1977.

IRVING TRUST COMPANY

Principal Paying Agent

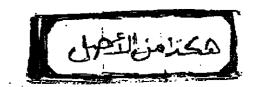
EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Tunes. It will be published on the following dates:

Monday 15th February Thursday 18th March Thursday 15th April Wednesday 12th May Wednesday 16th June Tuesday 13th July

There is a limited amount of advertisin month. If your company is interested in taking this offer please contact:

> The Financial Adv on 01-248 8000 Ext. 3266



Sterling firm

Deflar showed an easier fixed in generally featureless foreign moving to a discount against exchange trading yesterday. Central banks continued to intain yene to push down the U.S. currency, but on a smaller state than Monday. Recessionary for DM 4.35 from DM 4.35

menths ago). Three-month interbank 154 per cent (144 per cent strinoning ago). Annual inflation 12 per cent (unchanged from previous month)—Sterling opened at \$1.8900, and touched a low of \$1.8975-1.8885 in early trading. It rose to a peak of \$1.8990-1.9000 in the morning but then moved within a narrow range of around \$1.8930-1.8950, before closing at \$1.8945-1.8955, a rise of 1.20 cents on the day. The pound also improved in the

r frend forward market, with the dollar

Belgian frame rose slightly, but remained five weakest member of the European Monetary System. The D-mark and lies finished as joint second weakest, while the guider was again at the top of the system.

BOLLAR — Trade-weighted index (Bank of England) fell to 108.7 from 109.1 on Monday and 111.1 six months ago. Three cent (14.95 per cent six months ago): Annual inflation rate 9.5 per cent (10.2 per cent previous month). The todiar fell to DM 2.2950 from DM 2.2955 against the D-mark, to D-mark gained ground against two members of the EMS at the Frankfurt fixing, was inchanged against the same number. It also improved against the Swiss franc, but fell against steel at DM 4.3310. Compared with DM 4.3310. Compared with DM 4.3310. The Bundeshank sold \$52.15m when the dollar was fixed at DM 2.2972 down from DM 2.3070 on Ronday. In the afternoon the U.S. currency raified to DM 2.29 on the Bundeshank special Lombard rate from 104 per cent this week.

ITALIAN LIRA—RMS member of two members of the EMS at the Frankfurt fixing, was unchanged against two, and weakened against the same number. It also improved against the Swiss franc, but fell against steel at DM 4.3310. Compared with DM 4.3340. The Bundeshank sold \$52.15m when the dollar was fixed at DM 2.3070 on Ronday.

In the afternoon the U.S. currency raified to DM 2.29 on the Bundeshank special Lombard rate from 104 per cent this week.

ITALIAN LIRA—RMS member of two members of the EMS against two. and weakened against two against the Swiss franc. but fell against steel at DM 4.3340. Compared with DM 4.3140. The Bundeshank sold \$52.15m when the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the dollar was fixed at DM 2.3070 on Ronday and the

month). The dollar fell to DM 2.2985 from DM 2.2985 against the D-mark; to SwFr 1.8475 from SwFr 1.8490 against the Swiss franc; and to Y224.50 from Y225.40 in terms of the yen; but rose to FFr 5.8440 from FFr 5.8360 against the French franc.

The from 104 per cent wis week.

ITALIAN LIRA-KMS member (third weakest). Trade-weighted index 55.4 against 55.3 on Monday, and 57.3 six months ago. Three-month interbank 21.1 per cent (284 per cent six months ago). Annual inflation 17.9 per cent (18.2 per cent pre-French franc.

French franc.

17.9 per cent (18.2 per cent presented vious month)—The lira rose index 91.5 against 91.4 at noon, 31.2 in the morning and 90.8 at the Milan fixing, and declined the previous close (92.3 six months ago). Three-month intergraph of the previous close (92.3 six months ago). Three-month intergraph of the morning of the morn

EMS EUROPEAN CURRENCY UNIT RATES

7.98301 6.21755 2.67703 0.692372

Changes are for ECU, therefore positive change denotes wask currency. Adjustment calculated by Financial Time

Starting/ECU rate for January 19 0.564243

THE POUND SPOT AND FORWARD

Jan 19	Day's spread	Close	One month	% p.a.	Three months	p.a.
U.S.	1.8875-1.9000	1,8945-1,8955	0.25-0.1&c pm	1.27	0.28.0.18 pm	0,48
Canada	2.2540-2.2680	2.2615-2.2625	0.10c pm-par	0.26	0.15-0.30dis	-0.40
Nethind.	4.735-4.775	4.76-4.77	17-14c pm	4.09	47e-43, pm	3.88
Belgium	73,60-74,15	74.00-74.10	30-50c dis	-6.4B	105-125 dis	-6.21
Denmark	14.12-14.22	14.20 - 14.21	25-17:ors pm	1,79	41 21, pm	0.93
iraland.	1,2220-1,2320	1,2290-1,2310	0.25-0.37p dis	-3.02		-3.49
W. Ger	4.32-4,36	4,345-4.357	2-1 ² -pf pm	4.83	5-45 pm	4.37
Portugal	125.25-126.25	125.60-125.90	30-160c dis	-9.06	120-400dis	-8.27
Spain	185.25-186,25	185.95-188.15	70-20c dis	~0.97	50-80 dis	-1.40
Italy	2,318-2,324	2,3201-2,3221-	131 ₂₋ 161 ₃ lire dis	-7.75	45-50 dis	-8.18
Norway	11.03-11.12	11.11-11.12	23-15ore pm		51 _e -4 pm	1.64
France	11.00-11.08	11.06%-11.07%	ነ-1ነc dis	−0.95	312-412 dis	-1.44
Sweden	10.60-10.66	10.643-10.653	23-13 ore pm	2.25	752-65 pm	2.57
Japan	422-427	425-425	3.30-3.00y pm	8.28	8.60-8.30 pm	7.94
Agetris	30.25-30,45	30.40-30.45	16-11grs pm	5_32	41-31 pm	4.73
Switz.	3.471~3.511	3,50-3.51	24-146 pm		5½-6 pm	5.99
	lgian rere for		ancs. Financial		83.60-23 70.	
· Six	-month forward	i dollar 0.05c pi	m-0.05c dis, 12-m	onth O.C	15-0.23c dis.	

THE DOLLAR SPOT AND FORWARD

	Day's			%	Three	
Jan 19	beenga	Close	One month	p.a.	months	p.s.
-UK†	1.8875-1.9000	1,8945-1.8955	0.25-0.16c pm	1.27	0.28-0.18 pm	0,48
Ireland†	1.5415-1,5470	1,5450-1.5470	0.60-0.50c pm		1.60-1.45 pm	
Canada	1.1935-1.1946	1.1935-1.1940	0.09-0.12c dis		0.26-0.29dis	
Nethind.	2.5025-2.5100	2,5080-2,5090	8.70-0.60c pm		2.25-2.15 pm	3.51
. Belgium	38.95-39.11	39.09-39.11	25-30c dis	-8,47		-7.14
 Denmark 	7.4610-7.4825	7,4770-7,4800	0.30-0.05ors pm		0.40pm-0.10c	
W. Ger.	2.2800-2.2960	2,2945-2,2965	0.70-0.65pf pm		2.30-2.25 pm	3.96
e Portugal	66.30-66.60	66.30-88.50			75-220 dis	-8.88
Spain	98.05-98.25	98.10-98.15	20-30c dis		50-65 dis	-2.34
Italy	1,223-1,228	1,227-1,228	814-914 live dis		25-27 dis	-8.49
Norway	5.8310-5.8850	5.8560-5.8610	0.90-0.50om pm		1.30-0.90 pm	
`France .	5,8020-5,8465	6.8415-5,8485 -	0.90-1.05c dis			
- Sweden	5.6050-5.6220	5,6190-5,6220	0.60-0.40ore pm		2.90-2.65 pm	
Japan	223.75-224.76	224,45-224.55	1.55-1.40y pm		4.35-4.20 pm	7.52
Austria	16.00-16.07	16.033-16.043	6-2-6-8 Lo bu		18 ¹ –15 ¹ pm	4.24
Switz.	7.8330-7.8500	1.8470-1.8480	0.96-0.85c pm		2.61-2.51 pm	
		ara quoted in L			premiums an	
disco	ounts apply to	the U.S. dolla	er and not to the	: indivi	dual Currency	1.

3	CURRENCY	CURRENCY RATES					
	Jan. 19	Senk of England index		Jan. 18	Bank	Special Drawing Rights	European Currency Unit
	Starling U.S. dollar Canadian dollar Austrian schiffling. Belgian franc Danieh kroner Deutsche mark Swiss franc Guilder French franc Lira	91,5 108,7 88,5 116,9 104,6 68,8 122,0 152,5 114,6 80,2 55,4 142,9	-32.5 +2.0 -16.6 +24.8 +7.8 -10.8 +43.5 +104.0 +19.7 -15.1 -57.5 +37.3	Sterling U.S. \$. Canadian \$. Austria Sch Beiglan F., Danish Kr., D mark, Guilder, French Fr., Lira Yen Norwgn, Kr	12 14 81 64 14 11 71 ₂ 91 ₈ 19	1.14957 1.37420 18.5821 45.2280 8.68001 2.65229 2.90537 6.74684 1420.42 260.285 6.76235	1.05810 1.26559 17.1253 41.6468 7.97807 2.44336 2.67645 6.20998 1307.28 238.284 6,21263
!	Based on trade we Washington agreem Bank of England 1 1975=100).	ent Decen	aber, 1971.	Spanish Pts Swadish Kr. Swiss Fr Greak Dr'ch	11 6	114,047 6,50598 2,13402	104,963 5,97509 1,98383 62,6024

OTHER CURRENCIES

Argentina Peso 18,703-18,723† 9,850-9,900† Austria	Jan. 19	£	5		£ Note Rates
ALLE OF THE PARTY AND THE PART	Australia Dollar Brazil Cruzeiro Finland Markka Greek Drachma Hong Kong Dollar Kuwait Dinar (KD) Luxembourg Fr Malaysia Dollar New Zestand Dir Saudi Arab. Riyal Slingapore Dollar Sth. African Rand	1,7010-1,7030 249,43-250,43 249,43-250,43 108,871-11,5034 149,40° 0,534-0,540 74,00-74,10 4,2690-4,2790 2,3295-2,3316 6,45-6,51 5,8975-3,9075 1,8295-1,8315	0,8970-0,8975 131,56-152,22 4,3950-4,3970 58,45-58,65 5,81-5,82 80,00° 0,2831-0,2833 39,09-39,11 2,2540-2,2590 1,2275-1,2285 3,419-3,4216 2,0580-2,0610 0,9655-0,9665	Belgium Denmark France France Gern nny Taly Japan Netherlands Norway Portugal Spain Sweden Switzerland United States	82,25-83,25 14,08-14,20 10,97-11,07 4,31-4,35 2390,2440 425-430 4.72\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

f Now one rate. * Selling rate.

Jan, 18 Malaysia Dollar/Starting 4-2390-4-2490

EXCHANGE CROSS RATES

40.7572

7,91117 2,40989 6,17443

0.684452 -

Jan. 19	PoundStorting	U.S. Dollar	Deutschem'	d Tabau, se Leu	FranchFranc	Swiss Franc	Dutch Guild'	ItalianLira	Canadia Dolla	Belgian Frank
Pound Sterling	0.528	1.695	4.350	425.5	11,075	3,505	4,765	2322.	2,262	74.05
U.S. Dollar		1.	2,295	224.5	5,843	1,850	2,515	1225.	1,194	39.08
Dentschemark	0.230	4,436	10.92	97,82	2.845	D.806	1,095	533,7	0.520	17.02
Japanese Yen 1,000	2,350	4,454		1000.	26,02	8,237	11,20	5456.	5,316	174.0
French Franc 10	0.903	1.711	3,929	394.3	10.	ā.166	4,303	2097.	2,043	66,88
Swiss Franc	0.285	0.541	1,241	121.4	3.159	1.	1,359	652.3	0,645	21,13
Dutch Guilder	0.21D	0,398	0.913	89,30	2.324	8,736	1.	487,2	0.475	15.54
Italian Lira, 1,800	0.451	0,816		183,3	4.770	1,510	2.053	1000.	0,974	31.90
Canadian Dellar	0,442	0,858	1,923	188.1	4.895	1,550	2,107	1026.	1.	32,74
Belgian Franc 190	1,350	2,559	5,674	574.5	14.95	4,755	6,435	3185.	3.055	100,

±1.5368 ±1.6412 ±1.1677 ±1.3733 ±1.5063 ±1.6688 ±4.1229

FT LONDON INTE	RBANK FIXING (11.	00 a	.m. JANUARY 19)
3 months U.S. dollars	6 months U.S. dollars	•	The fixing rates are the arithmetic means, rounded to the nearest one- sixteenth, of the bid and offered rates for \$10m quoted by the market to five
bid 141/16 offer 145/18	bid 14 15/18 offer 15 1/18	·	reference banks et 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

THEY INTEDECT DATES (Market clasing Rates)

	EURO-CURI	HENCY	MIEUEDI	MAIES	furan ver c	Mosine in	4103)				
	Jan. 19	Sterling .	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	Freach Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
•	Short term 2 days' notice. Month Three months. Sk gonths.	145g-145g 145g-15 15-15ig 15-15ig 16ig-15ig 16ig-15ig	13-1314 1318-1338 1358-1338 1418-1439 1413-1518 1514-1512	13-14 13-14 14-12-1479 1538-15 ³ 4 1614-1618 1638-16 ³ 4	1014.105g 105g-1012 101g-105g 1012-105g 105g-203g 105g-107g	21g-3 31g-33g 31g-84g 81g-81g 85g-83g 81g-81g	93g.934 934.978 10 13.1013 1018-1014 1018-1014	147g-15åg 147g-15åg 15-1512 16 1612 17-1712 18-1812	20-25 2212-2513 2114-2214 2212-2318 2353-2414 24-2418	1434-1734 1519-1973 1969-2038 2012-2110 2012-2110 1812-1912	55: 5:8 5:614 614:635 62:615 63:4:618 6:1-6:3

SpR linked deposite one month 12%-12% per cent; three-months 12%-13% per per cent; six months 13%-13% per cent; one year 13%-13% per cent.

ECU linked deposits: one month 13%-13% per cent; three months 14%-14% per cent; six months 14%-14% per cent; one year 12%-12% per cent.

Asian S (closing rates in Singapore): one months 13%-13% per cent; three months 14%-14% per cent; six months 15%-15% per cent; one year 15%-15% per cent.

Long-term Eurodellar two years 15%-16% per cent; three months 13.85-13.95 per cent; six months 14.80-14.70 per cent; one year 15.15-15.25.

MONEY MARKETS

Rates ease again

London clearing bank base of eligible bank bills in band 1 lending rates 141 per cent (up to 14 days) at 141-1478 per cent and in band 2 (15-33 days) Short term rates continued to ease in London yesterday after a further reduction in Bank of England dealing rates. The authorities bought bills to alleviate the shortage of funds down to 141 per cent in all four bands, making a 1s per cent reduction in bands 1 and 2 and 1 per cent in 3 and 4. Threemonth interbank money was quoted at 15-151 per cent down from 15%-15; per cent while three-month sterling CDs were lower at 15 per cent compared with 15% per cent. Overnight money opened at 141,14% per cent and eased in stages down to 141 per cent before rising to 15-15; per cent before the afternoon help. Rates then eased to 14; per cent but rose sharply to touch 20 per cent before finishing

nearer 10 per cent. The Bank gave an early fore-cast of a shortage of £400m with was revised at moon to around 2450m and the Bank bought LONDON MONEY RATES

1280m of bills comprisu	g www.i
MONEY RATES	
NEW YORK Prints rate	15½ 13½-13½ 12.38 12.92 10.50 10.55 10.55
GERMANY Special: Lombard Unemight rate One month Three months: Six menths:	10.50 10.55 10.55 10.55 10.50
Overnight vate One month Three months Siv months	15.1875 15.1875 15.1875
JAPAN Discoupt rate	5.50 ·

Slight

Gold rose \$3 to \$375-376 in the London bullion market. It opened at \$375-3761, and touched a peak of \$379-380, but seemed to find resistance at this level falling to the day's low at close, reflecting an easier opening to U.S. futures trading. The FFF 70,500 (\$376.15) in the morning, and FFF 70,500 (\$376.15) in the morning, and FFF 70,500 (\$376.15) in the morning, and FFF 70,500 (\$376.15) in the morning. The state of \$376.15 in the morning, and FFF 70,500 (\$376.15) in the morning. The state of \$376.15 in the morning, and FFF 70,500 (\$376.15) in the morning. The state of \$376.15 in the morning, and FFF 70,500 (\$376.15) in the morning. The state of \$376.15 in the morning. The state of \$377.50 in the state of \$376.15 in the morning. The state of \$377.50 in the state of E5m of Treasury bills at 14t per cent and £163m of eligible banks bills at 14t-14fs per cent. In band 3 (3463 days) it bought £49m of eligible bank bills at 14t-14f per cent and in band 4 (64-91 days) f5m of Treasury bills at 14f per cent and £28m of

metal was fixed at \$377.25 in the morning and \$375.25 in the In Paris the 124 kilo gold bar was fixed at FFr 70,055 per kilo in the afternoon (\$374.54 per ounce), compared with FFr 70,250 (\$376.15) in the morn-

		n. 18
on (fine ou	RCC)	
83(.1994) 9,077)	\$372-373 \$36619-36719 \$369,75 \$373.75	(£198,4-198,9 (£1961 ₁ -197) (£198,013) (£199,280)
43 ₆ -1051 ₄) 14-533 ₄) 14-633 ₄) 1 ₄₋₈₃₃₄ 14-483 ₄) 14-553 ₄) 1 ₅₋₅₅₃₄	8384-385 8198-199 8101-102 841-4-424 \$388-387 \$91-2-9214 \$103-104 \$89-99 \$460-464 \$364-367 \$497-505	(£304 14, 20434) (£10514-10534) (£5334-54 4) (£2334-54 4) (£2034-20534) (£2434-49) (£355-55 14) (£3714-5234) (£3714-5234) (£1933-19514) (£26414-26712)
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cast of a shortage of recommendation official hands with 10.10 per cent on Monday. Bundesbank's recent offer to ahead on their minimum regerve and a net take up of Treasury This reflected the very easy rediscount bills at 10 per cent. This reflected the very easy rediscount bills at 10 per cent. The requirements. Current levels of bills accounting for £120m and conditions created by some in addition banks have yet to liquidity also kept borrowings in official hands with 10.10 per cent on Monday. Bundesbank's recent offer to ahead on their minimum regerve rediscount bills at 10 per cent. This reflected the very easy rediscount bills at 10 per cent. The requirements and the ments and are at present well facility down to DM 500m.

eligible bank bills at 141-14th

gave additional help of £93m, making a grand total of £383m.

The afternoon help comprised purchases of £14m of Treasury

bills in band I and 18m of eligible bills at 14; per cent. In band 3 in band 2 film of Treasury bills and f28m of local authority bills

it bought fom of eligible bank

bills at 141 per cent and in band 4 £15m of Treasury bills at 14 per cent.

year in the money market, being

quoted at 9.5 per cent compared

In Frankfurt call money fell to its lowest level for nearly a

During the afternoon the Bank

per cent

Jan. 19 1982	Sterling Certificate of deposit	Interbank	Local Arthority deposits	hogotlable bonds	Ноизе	Company Deposits		Treasury		Fine Trade Bills &
Overnight		10-20	141-141			144	. 13-144	· - :	: - ;	_
. 2 days notice.			1402	i — ·	-			~-		_
7 days of	.; —		–	. · -	-	1479-15	144-14%		. –	=
7 days notice	. –	1466-15	143, 14%			15 4-15 h	143		14.5	15&
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Two months	. 13/8-14/6	15.15	151.	16-15 ³ 4 16-15 ³ 4	15:	15t.15ta	1430-141	144-14	142 14	154
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One year		19vB-7946	153	1840.10			_		_	_
Two years			-42							ضسست

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 15½ per cent four years 15½ per cent; five years 15½ per cent. OBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14½-14½ per cent four months trade bills 15% per cent.

Approximate selling rate for one month Tressury bills 14% per cent; two months 14% per cent; three months 14% per cent; two months 14% per cent; and 14% per cent; and three months 14% per cent; one month trede bills 15% per cent; two months 15% per cent; three months 15% per

Clearing Benk Deposit Rates (published by the Pinenos Houses Association) 167; her cent from January 1, 1982. Clearing Benk Deposit Rates for sums at seven days notice 124-127; per cent. Clearing Benk Rates for lending 146; per cent. Treasury Belts Average tender rates of discount 14,5469 per cent.

Senior positions at Barclays Bank

Mr G. M. St. John-Cullen has been appointed a director of ENNIA INSURANCE COMPANY (UK).

Mr John Nash has been appointed chairman of RELLANT INDUSTRIAL MOULDINGS. INDUSTRIAL MOULDINGS, Tamworth, recently formed subsidiary of Reliant Motor, of which Mr Nash is also chairman. Mr Ritchie Spencer, managing director of Reliant Motor, is appointed managing director of Reliant Moudings; also appointed to the board are Mr Michael Bolton, Mr Cyril Burton, and Mr James Duguid.

Mr Peter Spear has retired as group director of Rubery Owen Holdings. He has formed has own company PETER SPEAR AND ASSOCIATES, based in Wolverhampton. He is still contracturally involved with the Rubery Owen Group in an advisory capacity.

BARCLAYS BANK has appointed Mr Ted Foster and Mr Paul Borrett divisional general managers of the newly formed large corporate division, which services the needs of the bank's largest customers.

Sir James Dunnett, a non-executive director of IMPERIAL GROUP retires from the board on March 25.

Mr G. M. St. John-Cullen has ment for the UK and overseas. British Steel Corporation, Japan, with responsibility for all Far with responsibility for the manager of Concord Lighting International but in addition matched to the board of the METTOY COMPANY due to manager with responsibility for the matched the board of the METTOY COMPANY due to manager with responsibility for the matched the board of the METTOY COMPANY due to manager with responsibility for the matched the board of the METTOY COMPANY due to manager with responsibility for the matched the board of the METTOY COMPANY due to manager with responsibility for the matched the board of the METTOY COMPANY due to manager with responsibility for the matched the board of the METTOY COMPANY due to manager with responsibility for the manager with responsibility f

Mr Peter Spear has retired as

A new company, EXTRUSION
A new company, EXTRUSION
SYSTEMS, has been formed to design, manufacture and market

The DEVELOPMENT COR.

P. W. metgrath. Mr Dimford

PORATION FOR WALES, has joins the company after 10 years

appointed Mr Alfred Bell as with the Lex Service Group. Mr

deputy chief executive. Until H. W. Smith has been appointed polypropylene extrusion equip- recently he was director of the managing director of Concord

* Mr Andrew Thorburn, county
Mr Robin Nichols has been
appointed chief executive
of GREENWICH BUILDING
SOCIETy in succession to Mr
G. V. Brown, who has retired.

* Mr Andrew Thorburn, county
planning officer for East Sussex,
has been elected president of
the ROYAL TOWN PLANNING
INSTITUTE. He succeeds Mr
John Collins, county planner for
Cheshire.

Mr Michael Holford has been appointed general manager (director designate) of PERMALI GLOUCESTER, a member of the BTR group.

CONCORD ROTAFLEX has Rubery Owen Group in an appointed Mr Stephen Dunford as group managing director following the resignation of Mr
The DEVELOPMENT COR
W. McGrath. Mr Dunford

appointed managing director of WACKERBARTH WHITTON AND WALROND SCARMAN GROUP.

Mr Michael Boyce has been appointed managing director of VOLSTATIC COATINGS. He is also president and chief executive officer of Volstatic Inc., the company's subsidiary in the U.S. Mr Boyce succeeds Mr Bob Lever, the founder of Volstatic, who remains as

Mr K. M. Hilton has been appointed associate general manager in the UK of CONFEDERATION LIFE INSUR-ANCE. Mr George L. Willman has been appointed chief actuary.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & **OVERSEAS FUNDS**

Aften Harvey & Ross hav. Mgt. (C.I.) I Charles Cross, St. Heller, Jay, C.I. 0534-73741 AHR Dollar Inc., Fd. .. (INSMIT) 3 1015-01 14.01 AHR KIR Edg. Fd. ... [10.95 11.02+411] 13.97 Alliance Interactional Dollar Reserves to Sank of Bermada, Hamilton, Bermada. der ACM1, 62/63 Queen S., ECA. 01.246 8981 Uistributan Jan. 4-5 (0.000642) (12.4% p.s.)

Artigithmet Securities (C.I.) Ltd. (a)(e)(h) B.LA. Sond Investments AG

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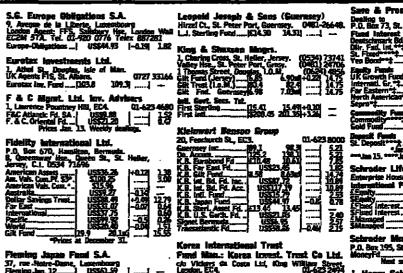
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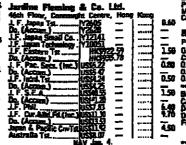
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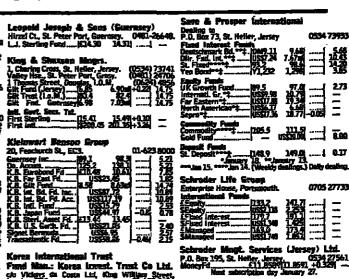
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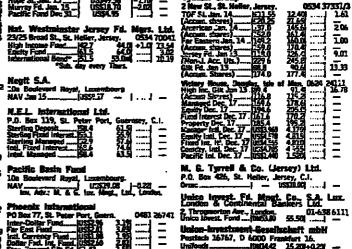
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NO | Rethschild Asset Management (C-L) | P.O. Bur S4, St. Julian Ct., Guerney, 1982 | 25,331 | 156 Ct., America F41, 19826 | 25,361 | 25,351 | 25,628 | 25,562 | 25,562 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662 | 25,662

Companies and Markets Stock 18 Sohlitz Brew J ... 12 Schlumberger ... 5112 SCM ... 2153 **NEW YORK** Stock Gt. Att. Pac. Tea. 37g 37g Gt. Rasina Pet... 33g 35g Gt.Nthn.Nekoosa 35 345g Gt. 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AM Inti Sedco 31 Shell Oil... 373 Shell Trans. 2713 Sherwin-Wms. 1813 Signal 2512 Signode 3536 | Nat Standard | 19 | Nat 20 254 23 1978 1718 164 24 154 224 2218 Cooper inds. 48 4812 Coors Adolph ... 1014 1014 Copperweld ... 5518 3536 Corrion Black ... 2014 2036 Cox Broadcast's ... 3418 3412 Crocker Nat ... 2834 2812 Crown Cork ... 2834 3414 Crown Zell ... 2678 3718 Cummins Eng. ... 3758 3718 Damon ... 658 658 Damon. 55s Dama. 25ts Dana. 25ts Data Gen 53s Daytor-Hudson 26s Deere 34 Deere 24 Denny's 27s | Husky Oil. | 7-5g | Hutton (EF) | 34 | Hutton (EF) | 34 | IC Inds | 43-5g | INA Corp. | 43-5g | IV Int. | 13 | Ideal Basic Ind. | 20-5g | Ideal Toy. | 67-3g | Imp. Corp. Amer | 914 | INCO | 13-1g | Ingersol Rand. | 54-1g | Inising Streel. | 22-1g | Inter First Corp. | 28 | InterNorth | 28-1g | IBM | 61-7g | Husky Oli...... Hutton (EF)..... IC Inds INA Corp..... Armstrong CK.... 16 15% Assamera Off..... 25% 22% Assarco...... 25% 22% Ashland Off..... 27% 27% 25% Assar D Goods... 25% 25% Attantic Rich.... 42% 42% Auto-Data Prg... 25% 25 Avco...... 25% 18% Avery Inti....... 25% 23% inti. Fievours..... inti. Harvester ... int. income Prop. int. Paper...... int. Rectifier int. Tel & Tel..... a net improvement of 0.67 at 297.16 at 1 pm. Volume 2.54m Irving Bank James (FS)...... Jeffn-Pilot shares (261m). Jewel Cos... Jim Walter. Timken 607s Tipperary 22½ Tonks 12% Total Pet 12% Trans 25% Transamerics 20% Transway 21% Trans World 14% Traveiers 44% Tricentrel 8 Peoples Energy. 71 Peoples Energy. 72 Pepsido 351a Perkin Elmer. 243 Petria Stores. 211a Petrolane. 153 Pitzer. 524 Philips Dodge. 5212 Philips Dodge. 5212 Philips Dodge. 3913 Philips Petrol. 391 Philips Petrol. 391 Philips Petrol. 391 Pintellips Petrol. 391 CANADA Enserch ... | 341₂ | 337₂ | Envirotech ... | 143₄ | 147₈ | Esmark ... | 491₂ | 503₅ | Ethyl ... | 25 | 25 | Evans Prods. ... | 161₄ | 16 | Ex Cell 0 ... | 251₄ | 251₅ | Exxon ... | 30 | 501₈ | FMC. ... | 231₂ | 231₄ | 7aberge ... | 151₈ | 14 | Faders ... | 33₄ | 33₄ | 54₅ | Federal Co ... | 221₂ | 211₂ | 211 AMCA Int I. 22 1 Beth Steel #26g 28 Big Thee Inds 26be 26 Black & Decker 151g 161g Block & Decker 25½ 343g Block Bell 231g 24 Boeing 211g 207g Boise Cascade 324g 31gg Folia Cascade 324g 31gg | FMC | 2312 | 2515 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2516 | 2 Lenox. 327s Levi Strauss 27 Levit Furntr 34 Libby Owens Fd. 235s Lilly (Ell' 531s Lincoln Nat 407s Lincoln Nat 503s Lockheed 455s Loews 831s Lone Star Inds 27 Longs Drug Strs. 267s Louisiana Land 301s Louisiana Pag. 177s Lowenstein 261s Lubrizol. 225s Pub. Serv. E & G., 18 & Pub. S. Indiana... 21 3 185e 2079 2514 545q 351q 163q 163q 113e 514 351g 2014 494 Bucyrus-Erie 193a 195a Burlington Ind 281a 2834 Burlington Nrthn 535a 511a Burndy 1834 1734 Burroughs 344a 34 CBI Inds 3814 384 CBS 4314 43 CPC Inti 351a 1535a CSY 5544 535a 3556 1176 3412 2114 2676 2134 2878 2754 4114 Macy 521, M7crs Hanover 324, Manville Corp. 14:se Mapco. 29 ta Marathon OH. 74:s Marine Mid. 23 Marrine Mid. 31:s Marsh McLenn. 31:s Marsh McLenn. 30:s Maryland Cup. 35:s Maryland Cup. 35:s Mascey-Fergn. 17:s Massey-Fergn. 17:s Massey-Fergn. 18:s Mas Multi-Corp. 18:s May Dept. Stra. 24:s Carter Hawley..... 1412 Caterpiliar....... 5134 Catanese Gorp.... 5366 Centex......... 2314 Central & Sw.... 1376 501g 501g 1834 1878 401g 40 28 277g 581g 581g 19 195g 325g 517g 187g 191g 207g 205g 181g 181g 207g 211g 413g 414g 413g 414g Media Geni Media Geni Medironic Melon Nati Melon Nati Mercantile Sta Mercantile Sta Mercdith Indices **NEW YORK** AUSTRALIA Ali Ord. 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SOUTH AFRICA

Gold (1958) Industrial (1958)

High

Am. Tel. and Tel. 503,800 Citicorp 489,900 Warner Comm..... 475,700

Industrials 515.35. 514.59: 515.57 512,79 499,55 (27/5) Combined 297.22: 288.08: 297.16 297.28 675.28 (15/8)

Change on day +2 -12

Stocks Closing traded price ,384,500 617, 894,300 397, 731,200 30 640,300 33, 601,800 347,

894,300 731,200 640,300

TORONTO Composita 1831.1 | 15 15.29 1985.4 1,801.6 2578.5 (10:4) - (1,801.9 15/1/82) NEW YORK ACTIVE STOCKS

Low

510.21 (25/9) 295.37 (25/9)

\$tocks Closing traded price 550,500 39\(.527,400 131\) 503,800 58\(.489,900 257\) 475,700 \$\$4

Madrid SE (80:12/81)

SWITZERLAND Swiss Bank Cpn.: 51/12/58: 258.2 258.8 259.1 269.7

67.84 67.41 66.96 66.53 79.14

MONTREAL

Fresh early Dow rally fades

scheduled for yesterday after-

The Dow Jones Industrial Average, which gained 7.52 on Monday, was 3.33 harder at 10.30 am, but had receded to 854.74 by 1 pm, a marginal 0.38 below the overnight level. The NYSE All Common Index was off 10 cents at \$67.74, after further improving to \$67.95. Rises and falls were about evenly matched at mid-session after trading volume of 31.64m shares (88.15m).

Analysts said investors have moved to the sidelines to see what President Reagan will say about his economic policies, and particularly any statements he may make about the possibility of tax increases.

Blue Chip issues led the downturn. Volume leader IBM was off \(\frac{1}{2} \) at \$61\frac{1}{2}, while Exxon lost \(\frac{1}{2} \) to \$29\frac{1}{2}, Dupont \(\frac{1}{2} \) to \$35\frac{1}{2}, Union Carbide \(\frac{1}{2} \) to \$36\frac{1}{2}, Standard Oil California \$1 to \$37 and General Motors \(\frac{1}{2} \) to \$39\frac{1}{2}.

Rail stocks were also easier, bringing down the Dow Jones Transportation Average 1.65 points. Burlington Northern declined 13 to \$514. Union Pacific 14 to \$463. Santa Fe Industries | to \$15; and Southern Pacific | to \$85]. ..Digital Equipment rose 11 to S84 in active trading on news maceutical down Y30 at Y1.380 of higher earnings.

THE AMERICAN SE Worket Precision Instruments and THE AMERICAN SE Market Value Index managed to retain

Closing prices for North America were not available for this edition.

Jan. Jan. 18 15

Leading the actives were Alcan Aluminium, off 1 at C\$241, Gulf Canada, down 1 at C\$151, and

Dome Petroleum, 1 lower : at C312:
Canadian Imperial Bank of
Commerce, which said it has filed
for a C3150m preferred share
offering, was up at C327i.
The Royal Bank, up at C325i,
said it has acquired a Swiss bank,
Banque Occidentate Pour Occidentale Pour L'Industrie et le Commerce.

Texaco Canada rose 1½ to C\$30; and Cominco 1 to C\$512.

The market failed to maintain a firm start on the overnight Wall Street improvement and the yen's upturn against the U.S. dollar. Price movements were mixed on balance after another moderate trade.

The Nikkei-Dow Jones Average was still ahead 17.73 at 7,677.07 at the close, but the Tokyo SE index lost 0.32 at 567.84. There were finally 308 advances to 305 declines on the First Market after 250m shares being traded. equalling Monday's volume.

Moderate foreign purchases
were detected in recentlyfavoured Steels and Pharmaceuticals, but most ended lower

on the day, with Nippon Steel off Y2 at Y174, Yamanouchi Phar-Light Electricals mainly recorded modest net falls, but Fuvi Photo gained Y10 at Y1,300, Sony Y40 at Y3,670 and TDK Electronic Y60 at Y3,840.

Motors scored some rises, Nisan adding Y4 at Y834, Toyota Y6 at Y991 and Isuzu Y7 at Y472. A number of Machinery issues were higher in anticipation of

Price Frs.

4,400 4,350

I'HOLLAND

Jan. 19

BELGIUM (continued)

opening yesterday, but the market then slipped back to present a mixed appearance at midsession after a fair turnover.

The market was said to have settled into a narrow trading range ahead of President Reagan's Press conference, scheduled for vesterday but Golds put on 6.3 to 2,453.3.

Leading the actives was also discontinued to rise, going up Y16 to Y744 to rise, going up Y16 to Y744 to rise, going up Y16 to Y744 on news of a large order fitten Saudi Arabia. Oils and Non-ferrous Metals also provided firm put Golds put on 6.3 to 2,453.3.

Germany

Chemical Engineering continued to rise, going up Y16 to Y744 to rise, going up Y16 to rise,

A firm performance was seen

f yesterday as trading reached a
l brisk pace for the first time in
several days. Brokers said
foreign and domestic investors
were attracted to West German
stocks by the D-mark's overnight
recovery against the U.S. dollar
and a long-awarited raily for West
German Bond prices. The
Commerzbank index rose 5.3 to

672.0.

Resources stocks opened
firmer, sparking speculation of a
raily, but buying support faded
after the first half-hour. The
higher overnight close on Wall
Street and a modest lift in world
Bullion prices had little impact
on trading.

BHP's report of a 2,800 barrels
a day oil flow from the offshore
well Tarmbing Wall

Public Authority Bond prices rose by up to 45 premies, with the mood influenced by the firmer Monday close on Wall Street and rumours of possible new Saudi Arabia lending to the Federal Government. The Bundesbank sold DM 21 im, of paper after buying DM 22.7m the previous day.

Paris

Prices of French stocks were marked down across a broad front in sharp contrast to the euphoria observed on the Exchange on Monday.

Traders said there were two

main reasons for the turnround. the first was reports that the revised terms for compensation to stockholders of companies to be nationalised will be based entirely on the average stock value over the six months through to March 31 1981.

Australia

76.5 +0.5 60.3 +0.3

Some Mining Heavyweights recovered a little ground, but markets otherwise were inclined to close weaker. The Australian All Ordinaries index shed 2.1 more to 547.1 and the Oil and Gas sub-group index 4.1 to 600.3, cents apiece.

Jan. 19

ANZ Group.

picked up 1.6 to 382.0.

Banking, Building, Engineering and Chemical stocks led Industrials down as the All Industrials index lost 5.1 to 697.8 one of its sharpest falls in several months. Retailing was one of the few sectors to improve on the industrial boards.

BHP's report of a 2,600 barrels a day oil flow from the offshore well Tarwhine No 1 was greeted Preussag rose DM 1.20 to with sparse enthusiasm by DM 197.20 and Metallgesellschaft traders. BHP was rapidly bid to lost DM 1 to DM 254 after cut. A\$9.46 in opening trading, but ting their zinc prices.

Public Authority Bond prices cents on the day.

Hong Kong

There was a modest recovery yesterday in response to the overnight closing firmness on Wall Street. However, trading was very thin with mainly small investors in the market.

The Hang Seng index ended at 1.398.57, recouping 12.53 of Monday's decline of 24.42. Turnover totalled a mere HK\$133,02m on the four exchanges, less than the previous day's HK\$158.88m.

Singapore

With sentiment helped by higher Hong Kong and over-night Wall Street stock markets. singapore shares took a turn for the better yesterday in moderate activity. The Singapore Straits Times Industrial Index, after retreating 17 points on Munday, picked up 11.31 to 765.40.

Johannesburg

Helped by the steadier Bullion price, Gold shares tended to harden in quiet dealings, Elsburg, R2.80, and East Band Proprietary, R12.00, improved 20

JAPAN (continued)

342 370 720

4.00

Jan. 19

Price + or

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Bk. Nova Scotia. 25 25	EUCB 1.434;14		Aust. Nat. Inds 2,98 -0. Aust. Paper 2,05 -0.	2 Marti 993 993
Basic Resources, 4,00 ; 4.00	Visilia Mont 1 400		³ Bank NSW 2.80)0,	6 Malaushita
Bell Canada 181; 181; Bow Valley 171; 173		= 5 Fisevier NDU 135.5	Sond Hidge 2.52 +0	M'bishi Bank 495
BP Ganada 273 284 Brascan A 2258 225	DENMARK	Ennia 112 -0.	³ Bora 2.95 -~0,	
Brinco 5.50 5.75		Gist. Brocades 68 ; +2	Brambles Inds 2.40 + 40.	M'hishiRi Enit., 445 —1
S. C. Forest 124 124 Cil. Inc. 321 ₈ 321 ₁	:	Hoogovens 15.6 -0.	1 BHP 9.80 ~ 0.	Mitsui Co 345 -2
CadillacFairview 18th : 121	Andelsbanken: 126.4 -1	Hunter Douglas. 6.6 —0.	Brunswick Oil 0.18 +0.) Mitsul Ri Est : 635 -8
Camflo Mines 17 : 17 Can Gement 114 : 114		F IXLM 87.7 + 1.	OSR	NGK insulators 584 +3
Can N W Lands 3214 ! 324	D. Sukker(ab + 350.4, +11	Nat Ned cert 109.2 +0.	CastlemaineTvs. 3.57 401	2 Nippon Denso 1,000 +4 2 Nippon Gakki 710 -10
Can Packers 324 324		Ned Cred Bank 52.5 -0. Ned Mid Bank 116.2 -0.	Ciuff Oil (Aust) 0,68	ENISDOS Mast AND 1
Can Imp Bank 2712 27	Forened Berygg, Dou 1 +5	Ned Mid Bank	Cockburn Cemt 1.89 +0.4	Nippon Steel 270
Can Pacific 3814 3814 Can P. Ent 1678 17	GNT Hidg 274	Ommeren (Vari 29.5 +0.1	Comaleo 1.50 +0.1	Nippon Sulsan 265 3
Can Tire 53 : 33	Jyake Bank	Pakhoed	Container 5.40	Nippon Sulsan
Chieftain	Novo Ind1,400	•• Rijn-Scheide 33.8: +0.1	: Crusader Oil 5,80,9	Nisshin Plour 558 7
Cons Bathst A. 173 185	Privatbanken 137,4	Robeco	3 hautoh 1) 6/30 ;6/1	5 Normura 564 . —1
Cont. Bk. Canada 712 776 Costain 914 9	Provinsbanken: 130 Smidth (FI) 265 +9.6	Rodamce	Can Dan Torick 1 CM	1 NYK
Daon Devel 4.55 : 4.65 Denison Mines 327g : 35	Smidth (Fi)	Royal Dutch 81.8 +0.4	Hartogen Energy 5.5	1 Orient
Dome Mines 151, 151,		Slavenburg's 72.6 +0.6 Tokyo Pac Hg 224 +1	Hooker 1.50 -0.0	Fioneer 1,760 -20 Renown 802 +2 Recoh 528 -2
Dome Petroleum 125s 125s		Unilever	* II	7 Ricoh
Dom Foundries A 3714 3712 Dom Stores 1514 1538	FRANCE	Vmt Stork 45	Jones (D) 1.65	
Domtar	Jan. 19 Price + or	Volket-Stevin 28.3 0.1	Leonard Oil 0.40	ASDOID 174KJI2
Censter 217a : 217a		West Utr Bank 74,5, +1,5	MtM	Shisledo
Gt. West Life 243 245 Gulf Canada 157 ₃ 157 ₃			Meridian Oil 0.26 -0,8	TATOTO COMPANY : XUN ()
Gulfstream Res 5.50 5.75 Hawk Sid. Can 113g ; 113g	I CNE 39 2.718 -22	ITALY		S'tomo Marino 299 +1 Taihel Dengyo 595 -15
ł	Aquitaine 155.1 -1,2	,	Nat. Bank	TaisboPharm 680
Hollinger Argus. 30 3014 Hudson Bay Mng. 2314 2312	Au Printemps 120 -1	Jan. 19 Price + or	Nicholas Int 1,36	Takeda
Hudson's Bay 211g 214 do, Oll & Gas 497g 50	I Bang' Pathaghildi918 S∂		Oakbridge 1,75	
Husky Oli 91g 95g	\$ 55 GOLASIS 1'200 2P	Assicur Gen 144,975 -1,02 Bence Com Je 36,35014		TB8 445 / _1
Imp Oil A 2512 2512	Carrefour 1,575 -50 Club Mediter 520 -2	Restool Fin 1336		
inco	CFAO 584 -26	Centrale. 5,249 -14 Credito Varesino 8,160 +330] (Queen Merg't G. 0.21	STOKEN ORG 1 115 / 1
inter. Pipe 145g , 1414	GSF(Thomson) 210 +6	f Fiat	Reckitt & Coin 2,25	Tokyu Corp 208
Mac Bloodel 2414 2454	Cie Bancaire 183 +3 Cie Gen Eaux 300,5	Finsider	Sleigh 'HC) 1,12 -0,0 Southland M'n'g. 0,45 -0,1	LTOTO 417 -4-
Marks & Spencer: 9 9 Massey Ferg 2.24 2.24	Cofimes 118.5 -0.5	[Italsider 1205	. Spargos Expel 0.35 :	Toyota Make 410 +1
Meintyre Mines. 381g 38 Meriand Explor. 10 10	Creusot Loire 58,5 -1,0	Montedison 154 -1.5 Olivetti 2,519 -45	Tooth 2.20 0.0	J V)6167 /S:660
Mitel Corp 27 2644 Moore Corp 3814 3815	IDNEL 40.7 +0.7	Perelli Co 2,465 -20 Pirelli Spa 1,270 -41	Valient Conset 0.28	1 Territoria
Nat, See Prode A. 7 676 Noranda Mines 2014 2014	Dumez 1,391 +1 GenOccidental, 414,5 -0,5	Snia Viscosa 645 33 Toro Assic 17,100 200	Weltons 0.85	
	lmotal 84 -1	do. Pref 14,300 -393	Woodside Petroi 1.02 +0.0 Woodworths 1.67 +0.0	Yokogawa Boga, 550 1 10
Nthn. Telegom 55 5514 Oakwood Pet 13 1354	L'Oreal 7755	i .		
		1	MOLINE 105 212	S arrest mark
1 Pacific Copper 1.95 1.95	Legrand 1,528 - 12 Machines Bull . 27.5 - 0.1	NORWAY	Trottment International Vision	
Расійс Соррет 1.95 1.95 Рая san Petrol 57 57 Ратіво 16 16	Machines Bull 1,528 -12 Matra 1,528 -0.1 Matra 1,215	1 10	HONG KONG	Jan. 19 Price + or
Pacific Copper 1.95 1.95 1.95 Pan san Petrol 57 57 Fatino	1,528 - 12 Machines Bull. 27,5 - 0,1 Matra 1,215 Michelin B 688 -7 Moet-Hennesey 587 -12	1	HONG KONG	Jan. 19 Price + or
Pacific Copper 1.95 1.95 1.95 Pan san Petrol 57 57 57 7 57 7 57 57	1,526 -12 Machines Bull 27,5 -0,1 Matra 1,215 Michelin B 688 -7 12 Moulinex 58 -0,2 Moulinex 58 -0,2	Jan. 19 Price + or Krener -		Jan. 19 Price + or 3 1.88
Pacific Copper 1.95 1.95 1.95 Pan san Petrol 57 57 57 7 57 7 57 57	1,526 - 12 12,5 - 0.1 12,5 - 0.1 12,15	Jan. 19 Price + or Kroner -	HONG KONG Jan. 19 Price + or H.K.5 - Cheung Kong 21 +0.1	Jan. 19 Price + or 3 Boustead Bird 2.70 +0.81 Cold Storage 4.08 +0.81 OBS 8.25 +0.81 France & Neave - 6.00 +0.81 Haw Par. 349 +0.19
Pacific Copper 1.95 1.95 1.95 2.95	1,526 -12 Machines Bull 27,5 -0,1 Matra 1,215 Michelin B 688 -7 Moet-Hennesey 587 -12 Moulinex 58 -0,2 Paribas 2105 Pechiney 101,75 Pernod Ricard 286 -11	Jgn. 19 Price + or Kroner - Bergens Saks 115 Borregaard 132.5 + 2.6 Creditbank 140 + 1 Elkem 49	HONG KONG Jan. 19 Price + sr H.K.5 - Cheung Kong 21 +0.1	Jan. 19 Price + or 3.1 Boustead Bird 2.70 +0.8 Cold Storage 4.08 +0.82 0BS 8.25 +0.16 Fraser & Neave 6.00 +0.6 Haw Par 3.43 +0.15
Pacific Copper 1.95 1.95 1.95 Pan san Petrol 57 57 Patino	1,526 - 12 1,526 - 13 1,526 - 14 1,526	Jan. 19 Price + or Kroner - Bergens Saks 115 Borregaard 132,5 +2,5 Creditbank 140 +1 Elkem 49 Kosmos 450 Norak Hydro 405 +1	HONG KONG Jan. 19 Price + er H.K.5 - Cheung Kong	Jan. 19 Price + or 21
Pacific Copper 1.95 1.95 7 1.95 1.95 1.95 1.95 Pan san Petrol 57 57 Patiro	1,526 - 12 1,526 - 13 1,526 - 14 1,526	Jan. 19 Price + or	HONG KONG Jan. 19 Price + sr H.K.5 - Cheung Kong	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.85 Cold Storage 4.08 +0.82 DB8 8.25 +0.16 Fraser & Neave 6.00 +0.86 Haw Par 3.42 +0.15 Inchape Bird 2.01 +0.65 Maisy Banking 5.80 +0.8 Maisy Banking 4.8 OCBC 11.4 +0.5 Sime Darks 2.85
Pacific Copper. 1.95 1.95 767 1.95 1	1,528 12 13 14 15 15 15 15 15 15 15	Jan. 19	HONG KONG Jan. 19 Price + sr H.K.5 - Cheung Kong	Jan. 19 Price + or 3.1 Boustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 088 8.25 +0.8 Fraser & Neave 6.00 +0.6 Haw Par 3.43 +0.8 Inchape Bird 2.01 +0.8 Malay Banking 5.80 +0.8 Mainy Brew 4.8 OCSC 11.4 +0.3 Sime Darby 2.85 +0.85 Spraits Tree 6.65
Pacific Copper 1.95 1.95	1,528 12 13 14 15 15 15 15 15 15 15	Jan. 19 Price + or Kroner - Bergens Saks 115 Borregaard 132,5 +2,5 Creditbank 140 +1 Elkem 49 Kosmos 450 Norak Hydro 405 +1	HONG KONG Jan. 19 Price 4 sr H.K.5 — Cheung Kong 21 +0.1 Cosmo Prop. 2 Cross Harbour. 11.6 +0.6 Hang Seng Banid 127 +1.1 HK Electric. 5.7 +0.1 HK Kowloon Wh. 5.3 HK Shanghi Bk. 18.8 +9.8 HK Talenbone. 29 +0.5	Jan. 19 Frice + or 21
Pacific Copper 1.95 1.95 7 1.95 1	1,528 12 13 14 15 15 15 15 15 15 15	Jan. 19 Price + or Kroner - Bergens Baks 115 Borregaard 132,5 +2,6 Creditbank 140 +1 Elkem 49 Kosmos 450 Norsk Hydro 405 +1 Storebrand 245 SWEDEN	HONG KONG Price For H.K.5 For H.	Jan. 19 Frice + or 21
Pacific Copper. 1.95 1.95 1.95 1.95 1.95 Pan san Petrol. 57 57 Patiro 15 16 16 16 16 16 16 16	1,528 12 13 14 15 15 15 15 15 15 15	Jan. 19 Price + or Kroner - Bergens Baks 115 Borregaard 132,5 + 2,6 Creditbank 140 +1 Elkem 49 Kosmos 450 Norsk Hydro 405 +1 Storebrand 245 SWEDEN Jan. 19 Price + or Kroner -	HONG KONG Price For H.K.5 For H.	Jan. 19 Price + or 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2
Pacific Copper. 1.95 1.95 767 1.95 1.95 1.95 1.95 77 72 72 72 72 72 72 7	1,526	Jan. 19 Price + or Kroner - Bergens Baks 115 Borregaard 132,5 + 2,6 Creditbank 140 +1 Elkem 49 Kosmos 450 Norsk Hydro 405 +1 Storebrand 245 SWEDEN Jan. 19 Price + or Kroner -	HONG KONG	Jan. 19 Price + or 2 - 2 - 70 + 0.8 Cold Storage 4.08 + 0.2 0.88 - 0.8 8.25 + 0.16 Fraser & Neave - 8.00 + 0.8 10.15 Incheape Stid 2.01 + 0.6 Mainy Brew. 4.8 + 0.1 11.4 + 0.3 Straits Frg. 2.65 + 0.8 Straits Frg. 2.65 + 0.8 Straits Frg. 4.30 + 0.10 USO SOUTH AFRICA
Pacific Copper. 1.95 1.95 767 787 767	1,528 12	Jan. 19 Price + or Kroner - Bergers Baks 115 Borregaard 132,5 + 2,6 Creditbank 140 + 1 Elkern 49 Koames 430 Norsk flydro 405 + 1 Storebrand 246 SWEDEN Jan. 19 Price + or Kroner - AGA 219 - 5 Alfa Lacai 213 ASEA* 178	HONG KONG Jan. 19 Price + sr H.K.\$ Cheung Kong 21 +0.1 Cosmo Prop 2 Cross Harbour 11.6 +0.6 Hang Sang Banio 127 +1 HK Electric 5.7 +0.1 HK Kowloon Wh. 5.3 HK Shanghi Bk 18.8 +9.8 HK Telephone 29 Hutchison Wpa 17.6 +0.5 Jardine Math 18.8 +0.3 New World Dev 4.37 +0.95 O'saas Trust Bk 5.20 +0.95 SMIC Props 8.55 +0.55 Swire Pac A 1.2 Wheel Marci 6.85	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.8 Cold Storage 4.08 +0.8 Cold Storage 4.08 +0.8 Fraser & Neave 6.00 +0.5 Haw Par 3.42 +0.15 IncDeape Bird 2.01 +0.5 Maley Banking 5.30 +0.5 Maley Banking 5.30 +0.5 Maley Brew 11.4 +0.5 Sime Darby 2.85 +0.5 Straits Trg 2.65 +0.5 UBO 4.80 +0.0 SOUTH AFRICA Abstroom 4.14 +0.5
Pacific Copper. 1.95 1.95 7.75 1.95 1.95 7.75	1,528	Jan. 19	HONG KONG	Jan. 19 Price + or 2. Boustead Blid 2.70 +0.88 Cold Storage 4.08 +0.87 OBS 4.08 +0.87 OBS 4.08 +0.87 Haw Par 3.42 +0.15 Incheape Shd 2.01 +0.58 Mailay Banking 4.8 +0.15 Smally Brew 4.8 +0.5 Smally Brew 4.8 +0.5 Straits Trg 9.65 +0.55 UBO 4.30 +0.15 SOUTH AFRICA Abercom 4.18 +0.5 Anglo Am 25.3 +0.5 Anglo Am
Pacific Copper. 1.95 1.95 767 1.95 1	1,528	Jan. 19	HONG KONG Jan. 19 Price + sr H.K.\$ Cheung Kong 21 +0.1 Cosme Prop 2 Cross Harbour. 11.5 +0.6 Hang Seng Banio 127 +1 HK Electric. 5.7 +0.1 HK Kowloon Wh. 5.3 HK Cand. 9.26 +0.8 HK Tslaphone. 19.26 +0.3 HK Tslaphone. 29 +0.2 Hurchison Wpa. 17.8 +0.5 Jardine Math 18.8 +0.3 New World Dev. 4.27 +0.95 O'saas Trust Bk. 5.20 +0.95 SWire Pac A 11.2 Wheel'k Marti A Wheel'k Marti 6.85 World Int. Hidgs. 2.50	Jan. 19 Price + or 2. 270 +0.88 Cold Storage 4.08 +0.87 Cold Storage 4.08 +0.87 Cold Storage 5.00 +0.16 Fraser 2 Neave - 6.00 +0.16 Fraser 2 Neave - 6.00 +0.16 Haw Par - 3.42 +0.15 Incheape 8thd 2.01 +0.65 Malay Banking 6.80 +0.16 Malay Brew
Pacific Copper. 1.95 1.95 7.75 1.95 1.95 7.75	1,526 12	Jgn. 19	HONG KONG Jan. 19 Price + sr H.K.\$ Cheung Kong 21 +0.1 Cosme Prop 2 Cross Harbour. 11.5 +0.6 Hang Seng Banio 127 +1 HK Electric. 5.7 +0.1 HK Kowloon Wh. 5.3 HK Cand. 9.26 +0.8 HK Tslaphone. 19.26 +0.3 HK Tslaphone. 29 +0.2 Hurchison Wpa. 17.8 +0.5 Jardine Math 18.8 +0.3 New World Dev. 4.27 +0.95 O'saas Trust Bk. 5.20 +0.95 SWire Pac A 11.2 Wheel'k Marti A Wheel'k Marti 6.85 World Int. Hidgs. 2.50	Jan. 19 Price + or 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2
Pacific Copper. 1.95 1.95 7.75 1.95 1.95 7.75	1,528 12	Jan. 19	HONG KONG Jan. 19 Price + sr H.K.\$ Cheung Kong 21 +0.1 Cosme Prop 2 Cross Harbour, 11.5 +0.6 Hang Sang Banio 127 +1 HK Electric 5.7 +0.1 HK Kowloon Wh. 5.3 HK Shanghi Bk. 18.8 +9.8 HK Telephone 9.26 +0.3 HK Shanghi Bk. 18.8 +9.8 HK Telephone 17.8 +0.5 Jardine Math 18.8 +0.3 New World Dev. 4.27 +0.95 O'saas Trust Bk. 5.20 +0.95 Swire Pac A 11.2 Wheel'k Martit 6 World Int. Hidgs 2.50 JAPAN Jan. 19 Price + or	Jan. 19 Price + or 3.1 Boustead Bird 2.70 +0.8 Cold Storage 4.08 +0.82 OBS 8.25 +0.8 Fraser & Neave 6.00 +0.6 Haw Par 3.43 +0.8 Incheape Bird 2.01 +0.6 Malay Banking 5.80 +0.6 Malay Banking 5.80 +0.6 Sime Darby 2.85 +0.6 Straits Trg 9.65 +0.6 UBO 4.50 +0.7 SOUTH AFRICA Abercom 4.16 ±0.6 AFRICA Abercom 2.70 Anglo Am Gold 91 -1.5 Buffels 38 +0.5 CNA Invest. 7, 18 CNA Invest. 7, 1
Pacific Copper. 1.95 1.95 7.75 1.95 1.95 7.75	1,528 12	Jan. 19	HONG KONG Hong Kong Price + sr	Jan. 19 Price + or 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2
Pacific Copper. 1.95 1.95 767 1.95 1.95 1.95 767 781 767 781 767 781 767 781 767 781 767 781 767 781	Legrand	Jan. 19	HONG KONG Hong Kong Price Hor	Jan. 19 Price + or 3. Soustead Bird 2,70 +0.88 Cold Storage 4,08 +0.82 0,88 +0.82 0,88 +0.82 0,88 +0.82 0,85 +0.83 +
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Jan. 19	HONG KONG Jan. 19	Jan. 19 Price + or 3. Boustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 OBS 8.8.55 +0.86 Fraser & Neave 6.00 +0.6 Haw Par 3.43 +0.12 Incheape Bird 2.01 +0.65 Maley Banking 5.80 +0.6 Maley Banking 5.80 +0.6 Maley Banking 5.80 +0.6 Strain Tre 2.65 +0.6 UBO 4.50 +0.0 SOUTH AFRICA Jen. 19 Price + or 2.65 Afgio Am Gold 91 -1.5 Anglo Am Gold 91 -1.5 CNA invest 7.15 Curris Finance 8.55 +0.6 CNA invest 7.15 Curris Finance 8.55 +0.6 De Beere 8.5 +0.6 Gold Fields 38 -0.6 Fig. Gatuid 57.50
Pacific Copper. 1.95 1.95 767 781 767	Legrand	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Ign. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 767 1.95 1.95 767	Legrand	Ign. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Ign. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Machines Bull 27,5 - 0.1	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Ign. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Machines Bull. 27,5 - 0.1	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Ign. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Machines Bull 27,5 - 0.1	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Jan. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Legrand	Jan. 19	HONG KONG Jan. 19	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 OBS - 4.08 +0.82 OBS - 4.08 +0.82 Inchance Bhd 2.01 +0.65 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Maley Banking 5.30 +0.6 Maley Banking 5.30 +0.6 Sime Darby 2.85 +0.6 Straits Tris 2.66 +0.6 UBO 4.80 +0.0 SOUTH AFRICA Jan. 19 Price + or Rand -0 Abercom 4.16 +0.6 AF & Cl. 9.75 Anglo Am Prop. 2.53 +0.6 Anglo Am Prop. 2.53 +0.6 Sartive Rand 10.95 -0.6 Surfels Rand 10.95 -0.6 Surfels Rand 2.7 Cold Padids SA 37 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -0.5 Hedbank 2.5 -0.5 Propad Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Financial Rand USSS.76
Pacific Copper. 1.95 1.95 57 Partino	Machines Bull. 27,5 - 0.1	Jan. 19	HONG KONG Jan. 19	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 OBS - 4.08 +0.82 OBS - 4.08 +0.82 Inchance Bhd 2.01 +0.65 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Maley Banking 5.30 +0.6 Maley Banking 5.30 +0.6 Sime Darby 2.85 +0.6 Straits Tris 2.66 +0.6 UBO 4.80 +0.0 SOUTH AFRICA Jan. 19 Price + or Rand -0 Abercom 4.16 +0.6 AF & Cl. 9.75 Anglo Am Prop. 2.53 +0.6 Anglo Am Prop. 2.53 +0.6 Sartive Rand 10.95 -0.6 Surfels Rand 10.95 -0.6 Surfels Rand 2.7 Cold Padids SA 37 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -0.5 Hedbank 2.5 -0.5 Propad Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Financial Rand USSS.76
Pacific Copper. 1.95 1.95 57 Partino	Machines Bull 27,5 - 0.1	Ign, 19	HONG KONG Jan. 19	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 OBS - 4.08 +0.82 OBS - 4.08 +0.82 Inchance Bhd 2.01 +0.65 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Maley Banking 5.30 +0.6 Maley Banking 5.30 +0.6 Sime Darby 2.85 +0.6 Straits Tris 2.66 +0.6 UBO 4.80 +0.0 SOUTH AFRICA Jan. 19 Price + or Rand -0 Abercom 4.16 +0.6 AF & Cl. 9.75 Anglo Am Prop. 2.53 +0.6 Anglo Am Prop. 2.53 +0.6 Sartive Rand 10.95 -0.6 Surfels Rand 10.95 -0.6 Surfels Rand 2.7 Cold Padids SA 37 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -0.5 Hedbank 2.5 -0.5 Propad Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Financial Rand USSS.76
Pacific Copper. 1.95 1.95	Legrand	Ign. 19	HONG KONG Jan. 19	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 OBS - 4.08 +0.82 OBS - 4.08 +0.82 Inchance Bhd 2.01 +0.65 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Maley Banking 5.30 +0.6 Maley Banking 5.30 +0.6 Sime Darby 2.85 +0.6 Straits Tris 2.66 +0.6 UBO 4.80 +0.0 SOUTH AFRICA Jan. 19 Price + or Rand -0 Abercom 4.16 +0.6 AF & Cl. 9.75 Anglo Am Prop. 2.53 +0.6 Anglo Am Prop. 2.53 +0.6 Sartive Rand 10.95 -0.6 Surfels Rand 10.95 -0.6 Surfels Rand 2.7 Cold Padids SA 37 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -0.5 Hedbank 2.5 -0.5 Propad Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Financial Rand USSS.76
Pacific Copper. 1.95 1.95 57 Partino	Machines Bull 27,5 - 0.1	Ign, 19	HONG KONG Jan. 19	Jan. 19 Price + or 3.1 Soustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 OBS - 4.08 +0.82 OBS - 4.08 +0.82 Inchance Bhd 2.01 +0.65 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Haw Par 3.42 +0.15 Maley Banking 5.30 +0.6 Maley Banking 5.30 +0.6 Sime Darby 2.85 +0.6 Straits Tris 2.66 +0.6 UBO 4.80 +0.0 SOUTH AFRICA Jan. 19 Price + or Rand -0 Abercom 4.16 +0.6 AF & Cl. 9.75 Anglo Am Prop. 2.53 +0.6 Anglo Am Prop. 2.53 +0.6 Sartive Rand 10.95 -0.6 Surfels Rand 10.95 -0.6 Surfels Rand 2.7 Cold Padids SA 37 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -1 Highreid State 3.30 -0.5 Hedbank 2.5 -0.5 Propad Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Rentistant Part 4.9 +0.8 Sage Hidgs 3.47 -0.6 Financial Rand USSS.76
Pacific Copper. 1.95 1.95 57 Partino	Degrand	Ign, 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Patino	Machines Bull 27,5 - 0.1	Ign. 19	HONG KONG Jan. 19	Jan. 19
Pacific Copper. 1.95 1.95 57 Partino	Legrand	Ign, 19	HONG KONG H.K. H.	Jan. 19 Price + or 3. Soustead Bird 2.70 +0.88 Cold Storage 4.08 +0.82 0.88 -0.85 +0.85 1
Pacific Copper. 1.95 1.95 57 Patino	Machines Bull 27,5 - 0.1	Jan. 19	HONG KONG Jan. 19	Jan. 19

Base values of all indices are 100 except Australia All Ordinary and Metals—
b. NYSE All Common—50: Standard and Poors—10, and Toronto—1,000: the tonamed based on 1975. I Excluded bonds. 1 400 industrials. § 400 ustrais plus 40 Utilibee, 40 Financials and 20 Transports. c Clased.

514.8 — \$15.8 797.6 (7/1/81) 703.9 — 708-4 711.7 (8/1/82)

104.02 (a) 102.84 182.50 104.82 (18/1/82) 88.17 (5:1/82)

615.28 (1/8)

COMMODITIES AND AGRICULTURE

Boost for NY-Chicago futures link

NECOTIATIONS for an elec-tionic linkage between the Chicago Board of Trade and ele morband New York Futures Exchange necewed a foost yesterday by the re-elec-tion of Mr Leslie Rosenthal, the Bon of Mr.Leslie Rosenthal, the Bot's controversial chairman. The hinkage was opposed by Mr Rosentha's opponent in the election, Mr Raight Goldenberg, who has been pushing instead for a tieup with the Chicago Board of Options.

The contest is seen as a reflection of the division among traders about the BoT's future. The linkage, which was attacked The linkage, which was attacked by some traders who see no need to rescue the alling NYFE, would bring the Chicago market into the New York financial centre shrough the important New York Stock Exchange, parent of NYFE. CBT traders are expected to thus gain access to grading on the exchange's stock index, if the contract is approved by the Commodities Futures Trading Commission. - Mr Rosenthal, who will serve highly regarded in Chicago as a brilliant trader but he is not popular on Capitol Hill where he was thought to be "arrogapt and condescending " during last year's battle over tax straddle legislation.

Normally the C.B.T. chairman would be expected to appear in the CFTC reauthorisation hearings to begin next month. The reported target of several lawsuits and investigations by the CFTC in the past, Mr Rosenthal is expected keep a low profile in the re anthorisation battles ahead.

World cereal record forecast

By John Wides in Zurich THE WORLD cereal crop likely to reach a record level of almost 1,55n tonnes in the crop year 1981-82, according to a report issued by the Inter-national Monetary Fund. The IMF predicts peak production figures of about 450m tonnes for wheat, 767m tonnes of coarse grain and 274m tonnes (milled basis) of rice.

The overall increase in total world cereal supplies is said to be caused primarily by higher production in the main exporting countries, the U.S., Canada and Australia.

This plus increased crops in Asia Africa and Latin America are seen as "more than enough" to offset falls in pro-

UK stands firm | Another zinc on fish policy

stablishing a Common Fisheries Policy, Britain yesterday de-clared that there was "no way" that its coastal waters would be be opened up to EEC-wide fish-ing if there was still no agree-ment when its transitional EEC accession arrangements expire at the end of the year.

Mr Alick Buchanan-Smith; the British Manister of State for Agriculture and Fisheries, said in Brussels that, if there was no agreement before the year-end deadline, "present conditions" would remain in place.

wide fishing in UK waters, he said. There was no prospect that that no discussions on what "any British Government could access other countries might

AS THE prospect grows for a Councils of Fisheries Ministers drawn-out delay before serious had to be cancelled because negotiations can be resumed on clearly no progress could be made. Any further delays would place the negotiations perilously close to the end of Britain's special 10-year accession arrangements.

Speaking in response to criticisms that the problems of Britain's distant-water fishing fleet were being ignered by his Government, Mr Buchanan-Smith also confirmed that overall negotiations on a CFP are unlikely to be resumed for at least another two months.

The European Commission is

not expected to produce its 1982 There was "no way" in which, total catch and quota proposals a British Government could until the end of next month or allow uncontrolled Community early in March, and Mr Buchanan-Smith made clear have to British waters under a The CFP negotiations have CFP could take place without already dragged on for nearly a parallel i discussion six years, and the last two possible quota share-outs.

World farm aid funds agreed

BY JAMES BUXTON IN ROME

THE OECD and OPEC countries and is not contributing to the have finally resolved two years of argument on replenishing the capital of IFAD, the Rome-based International Fund for Agricultural Development, which lends mainly to projects benefiting small farmers in developing

- IFAD's capital is to be increased from about \$1bn to \$2.1bn through the contribution of \$620m by OECD states, \$450m by OPEC states and \$30m by developing country members. Taking into account income \$1.35bn over the 1981-83 period, and OPEC 41 per cent, in addition to the \$900m committed up to 1980.

However, the funds at the disposal of IFAD, which was set up in 1977 partly at the instigation of OPEC, will be declining in real terms. Originally, member-states were asked to contribute \$1,35bn in new capital rather than the \$1.1bn agreed.

Iran, which originally made the largest single commitment to IFAD, failed to pay up more than half its original pledge, under way.

replenishment. The Reagan Administration in the U.S. scaled down a previous commitment to the replenishment of IFAD's funds. Negotiations on the capital increase were further complicated b yarguments over the relative share of the funds contributed by OPEC and

When IFAD was established it had been intended that each group of countries' contributions would be equal. In the event the OECD countries are from interest, the fund will be now contributing 56 per cent able to commit a total of of the total agreed increase.

IFAD is primarily a financial institution which provides money for projects being implemented either by national governments or other aid agencies. Its aim is to raise food production and living standards in rural areas and thereby help the world's poorest people. In spite of having already committed \$1.26bn in loans, only \$140m has been disbursed,

owing to the slow speed at

which aid projects normally get

months £512.00, 11.50 Afternoon: Three months £512.50, 13.00, 12.50, Karb: Three months £612.50. Turn-over: 6,000 tonnes.

SILVER Ballion + or L.M.E. + or fixing price Unoffic'l

LME-Tomover: 96 (116) fote of 10,000 omces. Morning: Three months 432.0, 33.0, 34.0, 33.5. Kerb: Three months £433.50, 33.0. Aftermoon: Three months £431.0, 30.0, 29.0, 28.0, 27.0,

Futures remained firm and within a narrow range. The near March position showed particular attength. Actuals business remained neglected with both producers and consumers sidelined, reports GIA and Duffus.

March 1215-17 +8.5 1223-11 May 1204-05 +4.0 1213-03 July 1208-10 +1.5 1213-03 Sept 1214-15 Dec 1219-90 1227-14

 Sept
 1214-15
 1227.14

 Dec
 1219-20
 4.0
 1231-20

 March
 1285-27
 -4.5
 1243-27

 May
 1230-37
 -5.5
 -5.5

Sales: 3.069 (2.282) fots of 10 tonner

in line with early indications Robustas opened marginally lower in light volume, reports Drexal Burnham Lembert. An attempt to penetrate recent lows failed due to trade support.

Jan 1122-23 -10.0 1125-20
March 1135-37 -3.5 1138-33
May 1118-19 -4.0 1122-16
July 1112-13 -4.0 1114-10
Sept. 1108-10 -2.5 1111-05
Nov. 1104-05 -4.0 1110-05
January 1098-05 -5.0

Sales: 1,738 (2,097) loss of 5 tournes.
ICI Indicator prices for January 18:
(U.S. cents per pound): Cemp. derby
122.52 (122.73): 15-day avarage 123.96

WOOL FUTURES

TONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer seller, business). New Zealand cents per kg. Jan seller 374, 370; March 355, 389,

Jan seller 374, 370; March 395, 389, 367-388; May 375, 377, 376; Aug 386, 389, 387; Oct 389, S90, 389; Dec 393, 387, 385; Jan 387, 389, 389, 389; 387, 385; Jan 387, 389, 389-397; March 405, 410, 406-407; May 411, 415, nil. Selact 68.

SYDNEY GREASY WOOZ.—Close (in order: buyer, seller, business). Augration cents per kg. March 485.0, 485.5, 495.5; May 903.5, 504.0, 504.0-503.5; July 511.0, 512.0, 512.0-511.5; Oct 530.0, 512.0; 512.0, 512.0-515.0, 516.0, 515.0; March 520.0, 521.0, 520.0; May 525.0, 526.0, 525.0; July 328.8, 531.0, untraded. Selas: 125.

Yesterday's
Close + or Business
Done

COCOA

COFFEE

(124.00)

smelter cuts price

ANOTHER West German zinc smelfer, Preussag, yesterday cut its European zinc producer price by \$75 to \$875 a tonne. This followed the price reduc-tion to \$875 announced by Metallgeselischaft on Monday. Other zinc producers, how ever, are believed to be reluctant to follow, especially in view of the recent reversal of the decline in U.S. producer prices and the firmer tone on the London Metal Exchange zinc

market. The cash price for zinc on the LME closed £7.5 higher yesterday at £430.5 a tonne, in spite of news of further moves to settle the long running strike at Tara Mines in Ireland. Following reports that the

mine's bankers had set a deadline for settlement of the stop-page, which started in July, the Irish Labour Minister ordered the Labour Court to re-open discussions on the dispute todav.

advanced prices strongly yesterday, encouraged by an upturn in copper and a general belief that the market had been oversold recently, Once an important chart buying point was triggered values moved up rapidly. Cash lead closed £12.25 higher at £340.75

Copper was boosted by the rise in gold, but other markets were easier. Tin fell in spite of a recovery in the Penang market overnight with the Straits fin price gaining M\$1.10 to M\$34.90 a kilo. In London there is increasing concern about the threat of an acute supply squeeze developing in late February.

Jamaica bauxite sales down

KINGSTON, Jamaica-Jamaica's bauxite sales last year fell by an estimated 800,000 tonnes, but alumina exports increased by 100,000 tonnes, Mr Basil Buck, Junior Mining Minister, said.

Mr Buck said bauxite exports during, 1981, reached an estimated 5.2m tonnes, compared 6m tonnes the previous year. However, the export of alumina rose from 2.4m tonnes

Total bauxite production was officially estimated at 11.5m tonnes, compared with just under 12m tonnes in 1980. Mr Buck said production this year would not be better, but he expressed confidence over a revival in the industry.

to 2.5m tonnes.

EEC FARM MINISTERS' MEETING

Price regime decision soon

EUROPEAN Commission proposals on guaranteed farm price rises for the coming marketing years will be presented, probably by the end of next week, whatever the outcome of Monday's special meeting of EEC Foreign Ministers.

This was confirmed vesterday by Mr Poul Dalsager, the Agriculture Commissioner, who said that there was a limit to the time the Commission could wait if the EEC Agriculture Ministers were to meet their April 1 deadline to agree on a new price regime for 1982-83. The Commission decided on

Monday to withhold its proposals following last week's failure of the Foreign Ministers to agree on guidelines aimed at reforming the EEC's budgetary and agricultural policies. . Mr Dalsager would not be

drawn, however, on either the content or scale of the Commission's proposals, which are widely understood to suggest average price rises of up to 9 per cent, the highest in recent

Similarly, the ministers attending yesterday's Agricul-ture Council in Brussels refused comment on "hypothetical'

On the other hand, unofficial reactions to the Commission's postponement were mixed. Countries heavily dependent on agriculture but standing towards the margins of budgetary debate, such as Ireland, were obviously dis-

appointed. Others, such as Britain and West Germany, showed little concern, indicating that they thought there was still plenty of time to agree farm price levels before the April dead-

There were even indications that West Germany might prefer the delay so that its current industrial wage negotiations would not run in parallel with the farm talks. The fear is that a substantial industrial settlement might increase farmers' expectations to levels which could then not be

satisfied. Commission officials, who had been set to present their proposals at yesterday's Council meeting, said that an extra-ordinary Agriculture Council might be called either before or after the next scheduled meeting on February 15 and 16 to give the ministers extra time to study the measures. France's controversial plan to

give its farmers an extra £500m in aid came under further

Waker, the British Agriculture
Minister, saying that aid on this
scale was a "preposterous
affront" to the principles of
the Common Agriculture Police

Teply "very soon and then could
act on the matter in the near
future."

France's latest package is
indeed complex agriculture police

the Common Agriculture Policy Mr Walker, who is again heading the British agriculture dele-gation after his six-month tenure as President of the EEC Council of Farm Ministers, said after yesterday's Council meeting that the French scheme, even if portions of it proved to be legal, threatened to disrupt

the CAP by possibly forcing

others to emulate the French.

He refused to be drawn, how-

ever, on whether Britain might be contemplating a big increase in farm aid but did not completely rule out the possibility. He said that to say "we are going to do such-and-such" if the French go ahead illegally would only undermine the British position over the issue. Moreover, even if larger countries such as Brotain and West Germany could devote extra funds to such aids, smaller countries simply could not afford to.

France maintains that the latest aid package is entirely legal under EEC law in that it contains no direct income aids. and Mme. Edith Cresson, the French Agriculture Minister, said that her Government would comply with the European Commission's request to provide full details of the scheme two months before the planned aid

was paid. Mr Poul Dalsager told the Council that the Commission had rejected France's initial submission because it lacked sufficient detail and had urgently requested France to provide further information. He that its suggested plan seemed said after the meeting that the to fall short of the Commission's Commission hoped to have a ruling.

propose doubling the Inter-

national Cocoa Agreement levy

coming meeting of the Inter-

national Cocoa Organisation

(ICCO) council. EEC officials

said it was not yet clear whether the 2 cent figure, which was agreed at an EEC commodi-

ties experts meeting here on

Monday, would be acceptable

to other countries in the agree-ment, but the subject would be

raised at a council meeting next

The levy increase would apply

week in London.

to 2 cents per pound at a forth-

towards various farming sectors, especially the poorest, unlike the £400m across-the-board preelection package granted by the previous government headed by M. Valery Giscard d'Estaing.

Britain, and more recently West Germany, have been the foremost critics of French policy, but are now being sup-ported in varying degrees by such traditional allies of France as Italy, Greece and Ireland. Farmers of various nationalities have been pressing for similar aid only to be told that their recession-bit national economies could not bear the cost.

Mr Walker insisted that the issue remain on the agenda for the next scheduled Council meeting on February 15 and 16. He said that in Britain's view "quite a lot of the French scheme appeared to be illegal and that, in any case, because of its scale the whole position has got to be looked at." • Meanwhile, the Commission

has asked the Dutch Government for more information concerning its plan to eliminate its natural gas subsidies to its glasshouse industry. The Commission has declared

that it will take the case before the European Court if the Netherlands did not agree to eliminate the differential between its horticultural gas price and its higher, wider in-dustrial price by October 1.

The Commission said that the Dutch Government in its reply to Brussels, had not completely ruled out the possibility but

On a possible \$75m loan to the Cocoa Agreement's buffer stock offered by Brazilian banks;

negotiations on terms such as

interest rates and security were

still going on with the banks,

and the EEC experts had adopted no definitive position

yesterday pending fuller dis-cussion of the conditions in

The EEC experts had decided to propose alterations to the

quotas allocated to various

countries and types of cocoa,

which would lead to a better

Higher cocoa levy sought

London.

BRUSSELS - The EEC will to the EEC proposal.

from October 1, 1982, according share out of the market.

Beef import quotas fixed

By Larry Klinger in Brussels

EEC AGRICULTURE Ministers yesterday agreed on 1982 import quotas for certain types of beef for food products after France and Ireland dropped their long-standing objections to the scale of the European Commission's original proposals.

Britain, which is the main beneficiary of these cheap imports, welcomed the agree-ment. Officials representing Australia, which along with Argentina is the main exporter to the EEC, said they were satisfied that last year's levels had been maintained even though they had wanted an increase.

The ministers agreed to maintain last year's level of an overall 60,000 tonnes of imports under the so-called manufacturing beef balance sheet," with 30,000 tonnes of high quality meat to be imported duty free and an equal amount of lower quality meat to be imported at 45 per cent below normal duty, which is the minimum require-ment under the General Agreement on Tariffs and Trade (Gatt).

Britain also won a conces-sion under which the tariff level would be reviewed in six-months' time to open the possibility of a reduction if the exporters find it unprofitable to fill their quotas.

The French, supported by the Irish, had argued that the overall quota should be cut to 45,000 tonnes and had opposed any provision for a tariff review. They said that because the EEC was self-sufficient in beef, "prefer-ence" should be given to Community produce.

Meanwhile, the Ministers also approved the 1982 preferential arrangement for the import of live veal animals. mainly from Yugoslavia. This comprises 210,000 head overall, 180,000 for Italy, 20,000 for Greece, with the destination of the remaining 10,000 to be decided later.

The agreement also provides, under a complicated formula on which sections of the quotas are met, for a possible increase in the overall quota by 25,000 head.

BRITISH COMMODITY MARKETS

BASE METALS

Bible-risetal prices were mixed on the London Metal Enchange. Light buying interest and the rise on Commex awij tupper move shead to 1890 before closing at 1888, while renewed short covering littled zinc to 6436.5, after 16436.5, after 16436.5 after 16436

2 2 2 Higher de 856-7 +6,25 859-5 +6
3 mins 896.5-5,54-5.5 889-5 +6
3 stitlem't 857 +6.5 889-5 +6
Cathodes 854 8 55 854 7 +4 Cathodes | 854.5 | +5.5 | 856.7 | +4.5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865.6 | +5 | 865

Amalgamented Metal Trading reported that in the morning cash wirebars traded at £556.00, 58.50, three morning £584.00. 84.50. 85.00, 85.50. 96.00. Cathodes, three mornins £583.00. Kesh: Afternoon: Higher grade, three months 2888.00, 88.50, 88.60, 90.00, 90.50, 90,00, 89,00. Cathodes, cash 1956.00, three months 1965.00. Kerb! Higher grade, these months 1966.00, 87.50, 88,00, 88.50. Turnoven 18,650

LEAD Official - Unofficial -

Level Morning: Cash £339.00, 38.50, 2512.50, 12.00, 11.50. Kest: Three

Time-Morning: Standard, cash E8,450, three months £7,940, 20, 10, 05, 7,900. Kerbs Standard, three months £7,910, 20. Attentions: Standard, cash £8,480, three months £7,910, 7,890, 7,900. Kerbs Standard, three months £7,890, 7,910, 20, 10, 7,900, Turnover: 5,135 tonnes.

Zine-Moming: Cesh 6527.00, 27.50, shoes mointin 6634.00, 35.00, 34.50, 35.00. Kesh: Three months 8435.00, 35.50, 35.00. Aftermoon: Three morning 2435.00, 36.00, 37.00, 37.50, 38.00, 37.50; Kedor: Three months 2436.50, 37.00, 37.60, 37.00, 36.50, 36.00, 38.50.

GAS OIL FUTURES SOYABEAN MEAL A steadier opening was followed by weakening prices in listless trading. Strong commission - house buying commission in the highs, but the a.m. + or p.m. + or Official - Unofficial -

pushed prices to the highs, but the market later fell back, reports Premier Man.

Spot 2965-70 -15 2965-70 -10 3 months 3022-3 -12,5 3022-5 -9	Month Yesterdys + or Business Close - Done
Nickel — Morning: Three months £3,020, 18, 19, 18, 20, 22. Atternoon: Three months £3,020, 25. Turnover: 360 somes. † On previous unofficial close. * Cents per pound. † MS per kilo. SILVER Silver was fixed 0-2p an ounce higher for spot delivery in the London bullion market yesterday at 417.15p. U.S. cant equivalents of the fixing levels were: spot 790.1c, up 11.1c; three-month 816.7c, up 10.8c; six-menth 847.9c. up 12.2c; and 12-month 905.1c, up 12.3c. The metal opened at 418-422p (790-795c) and closed at 414-418p (787-792c).	# U.S. per tonne January

The market opened generally un-changed. March and May wheat contimued being sold to dreg all wheat down. Barley was not so weak but again March and May led the way. New crops followed old crop trands.

Yesterd'ys +or Yesterd'ys + or close -

Mnth: Jan ... 109.35 | 0.38 | 108.20 | 0.20 | Mar. | 111.70 | 0.65 | 108.40 | 0.20 | May. | 115.40 | 0.55 | 111.65 | 0.35 | July ... | 118.45 | 0.20 | 102.75 | 0.15 | Now | 110.75 | 0.36 | 106.70 | 0.05 Business done-Wheat: Jan 109.50-

109.20, March 112.25-111.70, May 115.85-115.40, July 118.75-118.65, Sept 107.25-107.15, Nov 110.80-110.70. Salas: 107.3-107.6, New Yorks 107.3-107.6 155 lots of 100 tonnes. Barley: Jan 106.35-106.20, March 108.80-108.45, May 111.88-111.70, Sept 102.80-102.65, Nay 106.70-106.65, Sales: 206 lots of 100 tonnes. U tonnes. LONDON GRAINS—Wheat: U.S. Dark

Northern Spring No. 2 14 per cent, March 121.45 transhipment East Coast. March 127.45 transhipment East Coast.
U.S. Hard Winter 13¹2 per cent, mill-Jan/mid-Feb 117.10 transhipment East Coast. Maize: Franch, Jan 133.50 transhipment East Coast. S. African Yellow, March 76.50 quoted. Barley: English Feed fob, Jan 111.75, Feb 113.50, April 115 East Coast. Rest.

unquied.

HGCA — Locational exclaim spot prizes. Other milling wheat: W. Midlands 110.00. Feed barley: S. East 106.30. S. West 106.20, W. Midlands 105.60. N. West 106.90. The UK Monetary Coefficient for the week beginning Monday, January 25 (besed on HGCA calculations using five days' exchange retes) is expected to remain unchanged.

RUBBER

The London physical market opened easier, attracted fair innerest at the lower levels and closed quiet. Lawis and Pest recorded a February lob pince for N. 1 RS in Kuela Lumpur of 206.0 (207.0) cents a kg and SMR 20 181.0 (182.5). No. 1 Yest rys Previous Business R.S.S. close close Done

Api-ina, 98.50-96.59 66.40-95.50 66.80-85.70 Jly-Sept, 68.50-68.50 68.50-53.40 69.30-69.10 Oct-Dec 72.48-72.50 72.30-72.48 72.80 Selest 596 (81) lots of 15 tonnes. 30 (48) los of 5 mines. Physical closing prices (buyers) were spor 50.75p (50.00p); Feb 51.75p (same); March 52.00p (51.50p).

COTTON LIVERPOOL—Spot and shipment sales amounted to \$2 tonnes. Gradual increase in prices brought a few more traders to the market, but many awaited events before committing themselves. Scattered interest was shown in certain Middle Eastern styles.

The market opened Basier on profit-taking, reports T. G. Roddick, Prices continued under pressure as U.S. weather conditions showed slight

imbionement and the weight closed

 ;	Yestardy Close	5. + or	Business Done
paran	£ per tohn	e. 5 —3 50	159,00-57,90
oril Ine	' 134,60 <i>-</i> 54, · 132,50-32,	.7:—3,00. .8:—2,70	137,00-54,60 155,50-62,60 155,00-34,00
tober	' 133,50-35, . 134,60-37,	.0 —3.00 .0 —2,25	— — —
Sales: 20	, 155,00-89, 4 (107) 1		 00 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £162.00 (some) a tonne of Jan-Feb-March shipment. White sugar delly price 270.00 (£172.00).
Prices eased during the morning in quiez conditions and continued to duit, reflecting lower New York values, reports C. Czamikow. Sales: 2,288 (2.733) lots of 50

No.4 Yesterday Previous Business ciose close

— per tonne

March.: 172.5-72.40 175.06-75.20 175.06-72.00

May....: 175.50-75.60; 177.90-78.00 178.00-75.25

Aug....: 175.45-78.50: 181.80-81.10 181.00-79.25

Oct...... 182.25-82.40 184.85-85.00 185.50-82.00

Jan...... 183.00-44.50 185.75-87.00

Marca.: 198.50-99.50: 191.05-92.00

May..... 190.60-92.00 192.00-96.00

Tate and Lyla delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade end £272.00 (same) for export. International Sugar Agreement (U.S. cents per pound), fob and stowed Caribbean ports. Prices for Jan 18: Daily price 12.65 (12.88): 15-day average 12.80 (12.85).

POTATOES

LONDOM POTATO FUTURES—Profitating and stop-loss buying reised prices and encouraged further buying, reports Cofey and Harper. Closing prices: Feb 97.00, +2.40 (high 97.00, low 95.50); April 119.00, +4.50 (high 119.00, low 114.90); Nov 68.00, +0.10 (high 68.00, low 57.90). Turnover: 594 (472) lots of 40 tennes. MEAT/VEGETABLES

SMITHFIELD — Pence per pound.
Beef: Scotch killed sides 86.5 to 91.0;
Ulster hindquarters 101.0 to 102.5;
forequarters 72.2 to 74.8. Veal: Dutch
hinds and ends 127.0 to 134.0 Lamb:
English smatl 79.0 to 91.0, medium
82.0 to 88.0; Imported — Tew Zealand

English small 79.0 to 91.0, medium 82.0 to 82.0; Imported — Rew Zealand Pl. (new season) 72.5 to 74.0. PM (new season) 73.0 to 74.0. Pork: English, under 100 th 49.0 to 55.5, 100-120 lb 49.5 to 54.5, 120-160 lh 46.0 to 59.5.

MEAT COMMISSION—Average Fatsched prices at representative markets. GB—Cattle 103.48p per kg tw (~4.04). UK—Sheep 193.23p per kg est dew (~6.78). GB—Pigs 77.63p per kg lw (~1.58).

COVENT GARDEN—Prices for the bulk of produce, in starking per package except where otherwise stared, imported Produce: Oranges—Moroccan: Navels 48/113 3.20-3.50; Spamia: Navels 48/113 3.20-3.50; Spamia: Navels 60/105 4.35-4.50. Shamout: 60/144 4.90-5.60. Sevilles—Spanish: 7.50. Clamantines—Spanis: 3.00-4.00; Moroccan: 1/6 3.00-4.50. Satsumas—Spanis: 3.00-3.60. Lamons—Cyprot: 3.20-5.50; Greek: 5.00-6.00; Turkish: 4.00-5.00; Spania: 40/50 2.40-2.50. Grapefrut—U.S.: Pink 32/48 5.50-7.00; Cypriot: large cartons 3.00-4.00. small carrons 2.80-3.40; Jaffa: 38/88 3.50-4.90. Apples 2.30-3.40; Jaffa: 36/88 3.50-4.90. Apples
—Franch: New crop. Golden Delicious
20 lb 3.00-3.60, 40 lb 5.0-7.60, Starkcrimson 40 th 8.50-7.50, 20 lb 3.40-3.80, Granny Smith 7.50-8.50; Canadian: Red Delicious 9.00-10.00; U.S.: Red Delicious 8.00-13.00; Hungarian: Starking 6.50-7.00. Pears—Dutch: Comice 14 tb, per pound 0.25-0.26; Italian: per pound Passacessana 0.15. Peaches—S. Afti-cart 7.50-3.50; Simbalmont 4.00. Alexandria. can: 2 50-3.50; Zimbabwean: 4 00. Nec-tasines—Chileen: 9.00, Plums— S.

PRICE CHANGES

in tonnes unless otherwise stated,

	Jan. 19 1982	+or	Month ago
Metals		-	
Aluminiu m			£810/816
Free Mict	\$1105/115 5	+5	\$ 1125/\$\$
Copper	£859.25	÷6 İ	£863.25
		+6	£889.75
Cash Cathode.	2,009,23 2858 5		£860.75
3 mths	2225 5		£885.25
Gold . roy oz	8375.5		\$404.25
Lead Cash	2340.75	-12.2	£360.5
3 mths	£353.25	+11.7	£373.75
Nickel	£3737.75		£3678,69
Free mkt	255;290c		250/90c
		į i	222
Platin'mtr'y oz	£260		£260 £204.80
Freemkt	2190,10 2190,10		
EDVERTING	210 3)713.		442 100
Sliver troy oz 3 mths Tin Cash	432 00	±0.05	459 100
Tin Cash	€6470.5	-17.5	£8355
3 mths	£7895	-70	£8095
3 mths Tungsten22,01b	\$125,60	-1,8	\$134.48
			et 00 :10c
Wolfsm 22.04lbs	512//(51	776	\$120/ <u>12</u> 5
Zino Cash 3 mths	2430.5 2437.75	Tá.s	\$120/126 £461.5 £467.76 \$920:50
Producers	\$875/950	7.5.0	\$920:50
Oils Coconut (Phil).)	-EEO		\$550
Groundnut	eego.	∓5 °	-
Linseed Crude	" + "		🚦
Paim Malayan	8512.6x	-2.5	S485
Seeds !			•
Copra Philip	2500	. 1	8345
Soyabean(U.S.)	2767	+0.5	
		1- (
Grains	0100 40	D 30	£108.0a
Maize	P133 50		£155,56
Barley Fut Mar Maize Wheat Fut Mar	011170	-0.65	£112.65
No2 HardWint	£117.10v	-1.25	
Other I	, ,		•
Vuidi Vommodilles	1	· ·	

‡ Unquoted. x March. z Feb. y Jan-Feb. † Per 76-16 flask. * Ghana cocca, n Nominal. § Seller.

African: Samta Rosa, per pound 0.25-0.50, Beauty 0.30-0.50; Chelean: Santa Rosa 0.70. Apricots—S. African: 11 lb, per pound 0.35-0.50. Grapes—Spanish: African: 11 lb 3.0-3.40, Negra 4.50-4.80, Atphonse 10-lb box 11.00, S. African: Queen of the Vineyard, 10-lb box 9.00; U.S.: Red Emperor 0.50-0.60; Chilean: Seedless, per box 10.50-11.00, Strawberries—Kenyan: 0.70-0.80; Israel; 8 oz 0.50-0.60; U.S.: 1.001.20. Litchees—S. African: 0.70. Melons—Spanish:

Strawbernes—Kenyan; 0.,00-0.0; Istrakes; 8 oz 0.50-0.80; U.S.: 1,00.1.20. Litcheas; —S. African; 0.70. Melons—Spanish; Green 10 kg 5.0-7.00, 15 kg A1 13.00; Brazisan; Yellow 7.50-8.00. Pineapples.—Ivory Coast: each 0.40-1.20. Bananas—Colombian; par pound 0.18. Avocados—U.S.: large box 6.00; Israeli: 3.00. 3.60. Mangoes—Kenkan: 8/16 4.50-5.00; Pertuvian: 9.00; Brazilian: 8.00. Dates—Tunissan: 30s 0.45-0.55; U.S.: 0.42-0.43. Tomatoes—Spanish: 1.00-2.00; Canary: 2.50-3.80. Onions—Spanish: Graon 3/5 3.60-4.50. Capsicans—Spanish: Green 4.00, red 5.00; Israeli: red 6.50, graen 3.60. Cabbages—Dutch: white 4.50-4.60, red 5.00; Israeli: red 6.50, graen 3.60. Cabbages—Dutch: vehite 4.50-4.60. red 5.00; French: 24g 7.00-8.00. Celery—Israeli: 4.60; Soenish: 4.0-5.00. Carrots—Dutch: 22 ib 3.00-3.20, prepacked 4.00; Italian: per pound 0.10-0.12. Lettuces—Dutch: 24g 2.60-3.00. 12s 2.20-2.30. Cucumbers—Canary: 2.00-3.00. Chicory—Raiman: 3 kilor 2.02-2.50. Endive—Raiman: 3 kilor 2.02-2.50. Dotch: 24s 2.60-3.00, 12s 2.20-2.30.
Cucumbers—Censry: 2.00-3.00. Chicoty—Balgian: 3 kidos 2.02-2.50. Endive—French: 4.00-5.50. New potatoes—Canary: 28 ib ware 4.50-5.00. mids 5.00; Jersey: 13-lb tubs ware 0.70-0.80. mids 0.70-0.80. Cypriot: 5.30-5.40. Aubergines—Canary: 4.00: Israeli: 6.50: U.S.: 10.00; Kenyan: 4.00. Walnuts—Canese: per pound 0.40. Fannel—Italian: 5.00. English Produce: Potatoes—per 55 lb, white 2.60-3.00, red 2.80-3.60. King Edwards 2.80-4.00. Misshrooms—perpound, open 0.30-0.40, closed 0.55-0.70. pound, open 0.30-0.40, closed 0.55-0.70.
Apples—per gound, Bramley 0.18-0.36,
Cox's 0.20-0.32, Sparten's 0.20-0.25. Pears—per pound Conference 0.14-0.21, Comsice 0.18-0.25. Cabbages—per 30.16 bag, Celtis/Jan King 1.50-2.00. Lettimas —per 12. mund 1.00-1.80. Omions—per 55 ib 40/80mm 2.00-3.00. Carrets—per

AMERICAN MARKETS

NEW YORK, January 19. 57.60, July 68.60-68 90, Aug 68.25. THE precious metals continued to decline on commission house liquidation in line with the unpward trend to interest rates. Copper continued July 664-6641, Aug 666, Sept 666, Nov to interest rates. Copper continued to attract support in anticipation of U.S. production cutbacks. Cocoa remained firth on short covering in reaction to reports of a smaller lyary Coast crop. The grain and soyabsan complex weakened on heavy long liquidation in reaction to bearish supply-demand statistics. Heating oil fell again due to higher temporatures. 50723-672, Jan 687, March 703.

§Soysbean Meal—Jan 192.2-192.8

(196 2), March 190.2-190.5 (194 6),
May 192.0-191.8. July 194.0. Aug

195.3-195.5, Sept 195.5-196.0, Oct

1965-196.8, Dac 199 0. Soyabean Oil—Jan 18.93-18.94 (19.02). March 19.31-19.32 (19.42), May 19.99. July 20.58. Aug 20.85-20.87, Sept 21.05-21.10. Oct 21.25-21.30, Dec 21.70. Jan 21.66-21.70, March 21.91-21.93. fell again due to higher temperatures in the U.S., reported Heinold 21.33.

1Wheat—March 382½-383 (391½),
May 393-393½ (400½). July 398-397½,
Sept 409. Doc 426-426%, March 440%,
Silver—Jan 872.5 (790.5), Seb 782
(793.7), March 792.0-794.0, May 812.5-

in the U.S., reported Heinold.

Copper—Jan 72.80 (72.25), Feb 72.75 (72.50), March 73.60-73.70, May 75.40-75.45, July 77.20-77.25, Sept 78.95, Dac 81.65, Jan 82.55, March 84.30, May 86.05, July 87.80. Sept 89.55.

Potatoes (round whites)—Feb 76.5 (77.0), March 78.5-79.0 (78.51). April 83.6-84.0, Nov 79.8. Sales: 886. Suger—No. 11: March 13.29-13.31 (13.29), May 13.55-13.57 (13.54), July 13.74-13.76, Sept 13.97, Oct 14.16-14.17. Jan 14.20-14.30, March 14.72-14.80, May 14.80-14.95, Sales: 5,950.

Tin—68500-729.00 (693.00-729.00).

CHICAGO, January 19

CHICAGO, January 19 Lard—Chicago loose 19.0 bid/19 25 traded. Live Cattle—Feb 60.22-60 30 (60 95), April 59.45-59.35 (60.32), June 59.70-59.80, Aug 58.45-58 50, Oct 57.27, Dec

59.80, Aug 58.45-58 50, Oct 57.27, Dec 58.30.
Live Hogs—Feb 47.50-47.40 (48 80), April 46.45-46.80 (45.50), June 49.57-49.45, July 49.95-50.10, Aug 49.00-48.97, Oct 47.17, Dec 48.50, Feb 48.80, 124.14 (19.18), Dec 2894-270 (273), May 2784-279 (2824), July 2844-2844, Sept 286-2852, Dec 2894-2894, March 5004-301.

NEW YORK, January 18, 11Cocoa March 2131 (2095), May 2114 (2092), July 2125, Sept 2135, Dec 2163, March 2193. Sales: 1,676. Coffee-' C" Contract: March 135.50-

"Gold—Jan 370 0 (375 7), Feb 370.5-372.0 (377.0), March 374.7, April 377 0-379.0, June 384 5-386 0, Aug 294.7, Oct 403.7, Dec 410.0-414.0, Feb 422 8, April 432.8, June 442.9, Aug 453.0, Oct 463.2, WINNIPEG, January 19

813.0, July 832.0-833.9, Sept 850 4, Dec 879 5. Jan, 889.2, March 908.5, May 927.8, July 947.1, Sept 966.4, Hadde and Harman bullion sopt: 788.00

Monday's closing prices March 73.00-73.25. May 74.15-74.30. Sales: 3,500. The sales of the sal

Conse— Contract: March 135.50135.80 (135.56), May 129.60.129.65 Sales: 2,500.
(130.90), July 127.70-127.75, Sept 125.25, Dec 123.00-123.53, March 121.00-121.50, May 118.00-123.00.
Cotton—No. 2: March 65.15-65.22 (65.12), May 66.30-66.50 (66.79), July 56.45-68.50, Oct 70.60-70.85, Dec 71.80, June 448.6, Sept 463.3.

Sept 270, Oct 269.75, Nov 269.50, De-274.25 sellets.

Soyameal—(U.S. \$ per tonne): 44 per cent protem, U.S.: April/Sept 237.50, traded aftont 254, Jan 23, Feb 250, March 248, April/Sept 240, Nov/March 248 sellers. Brazil Pellets: Jan 258, Feb 267, March 268, April/May 249.50, April/Sept 247 sellets.

EUROPEAN MARKETS

ROTTERDAM, January 19. 267, June 268, July 269.50, Aug 270, Wheat — (U.S. S per tonne): U.S. Sept 270, Oct 269.73, Nov 269.50, Des No. 2 Dark Winter, 13.5 per cent pro-Feb 171, March 174. U.S. No. 3 Amber Durum: Jan 208, Feb 202, Apni/May 248, Apni/Sept 240, Nov/March 194, May 194, June 194, July 194, Aug 194, U.S. No. 2 Northern Spring, 14 per cent: Feb 208, March 210, Apni/May 249, So, Canadian Viestem Red Spring: Jan 218, April/May 213.

Maize — (U.S. S. per tonne): U.S. March 268, April/May 198, June 198, 50, July 189, 50, Canadian Viestem Red Spring: Jan 218, April/May 213.

Maize — (U.S. S. per tonne): U.S. Mo. 3 Com., Yellow: Aflost 136, Jan 135, Feb 122, March 120, April/June 131, July/Sept 133, Cot/Doc 134 sellers.

Soyabeans—(U.S. S. per tonne): U.S. Soyabeans—(U.S. S. per tonne): U.S. Aug 1025-2035, Oct 2050-2055, Nav 2050-2060, Dec 2070-2029, March 2105-266, May 2120, Sales at call: 3.

INDICES FINANCIAL TIMES Jan. 18 Jan. 15 Month ago Year ago 248.61 249.30 243.88 256,86

(Base: July 1, 1852-100).

MOODY'S

Jan. 18 Jan. 15 Month ago Year ago

998.6 1004.4 972.4 1203.1

(December 31, 1931-100)

Dow Jan Jan Month Year Jones 18 15 ago ago Spot- 126.39 126.35 Futr's 133.59 133.36

(Bose: December 31, 1974-100)

REUTERS

Jan. 19 Jan. 18 M'nth ago Year ago 1623.1 1621.8 1607.2 1692.7 (Base: September 18, 1931-100)

DOW JONES

25/28 lb 2.00-3.60. Beetmosts cound 1.00-1.40, long 1.50-1.80 Swindes —per est 1.60-2.00. Spreats —per net 1.60-2.00. Spreats —per 25:40 ib 1.50-2.80. Spring greens —per 25:40 ib 2.00-2.60. Rhuberb—per 10 ib 2.00-2.60.

GRIMSBY FISH — Supply poor, (unprocessed) per sions: Shell cod demand good. Prices at Ship's side \$5.50-64.70; Large planes \$5.40.

SERVICES ON THE REUTER MONITOR Exchange prices, prices contributed by market makers, statistics, news and foreign exchange rates:-

A NEW RANGE OF

COMMODIT

METALS GRAINS/OILSEEDS COCOA RUBBER

COFFEE SUGAR PETROLEUM For further details please telephone John Roberts in London on 91-251 7485 or contact your local fleuter office.

Gilt strength continues and short tap stock exhausted Equity leaders impressive and index at 4-month high

Dealings tions Dealings Day amount up at 76 and the ex-Dec 23 Jan 7 Jan 8 Jan 18 hausted tap. Exchequer 14 per Jan 11 Jan 21 Jan 22 Feb 1 cent 1986, § better at 93; the Jan 11 Jan 21 Jan 22 Feb 1 Jan 25 Feb 11 Feb 12 Feb 22

Growing expectations that the miners vote will not sanction strike action against the NCB pay offer imparted all-round strength to London stock markets yesterday. Further heavy buying of Government securities ex-hausted the authorities supplies of the short tap issue in the early dealings. Sustained demand enabled the Government broker to sell quantities of the three tranches of longer-dated Giltedged created last November, originally of £250m each.

Despite the official sales, longer maturities advanced a point and more as overseas funds continued to swell domestic support attracted by yields still in excess of 16 per ent. Other considerations motiinvestors included a further slight easing in shortterm money market rates and hopes that other domestic

interest rates would follow.

Setbacks at both ends of the
Gilt market were short-lived and the ultra-long Exchequer 12 per cent 2013/17 settled 14 points up at the day's highest of 84. Among medium life stocks. Treasury 14 per cent 1996 ended similarly better at 891, while the favour in the Banking sector,

Fixed Interest.....

Industrial Ord

Earnings, Yld.% (full)

closed & dearer at 98%. Treasury *First Declara- Last Account 3 per cent 1985 was the same latter was issued in mid-November at 951 and authorities' supplies ran out yesterday on bids of 93.

Equities shook off Monday's lethargy and gained in confi-dence throughout the session to close at the day's best. Firmer New York advices overnight encouraged a higher opening, but investors were not deterred by the enhanced prices. Business in many stocks became brisk and although trade faltered later several leading shares notched

up double-figure gains.

Illustrating this, the FT Industrial Ordinary share index closed 11.2 up at 545.9, its highest since September 11 last. Pro-perties failed to participate in the advance, being subdued by MEPC's call for £62.3m via a rights issue. Banks good

Business in Traded options vas well distributed among those stocks in issue. favourite Racal attracted 272 deals, with business split evenly between calls and puts. Imperial returned to the fore with 380 calls arranged, while Grand Metropolitan recorded 281 calls, 199 of which were done in the January 180's.

62.96 62.88 62.88 62.80

545,9 534,7 531,6 527,2 527,3 524,6

271.5 266.8 273.8 265.8 271.0 284.5

5.52 5.63 5.65 5.70 5.69 5.72

9.73 9.93 9.96 10.01 10.00 10.05

13.13 12.85 12.80 12.76 12.76 12.71

70,61 60,17 127.4 49.18 Gilt Edged Bargains. 248.0 186.7 (20/3/81) (28/19/81) (8/1/35) (6/1/75) Equities. 248.0 186.7 (20/3/81) (28/19/81) (28/11/47) (6/1/75) Bargains. 90.8 70.7 (20/3/81) (28/19/81) (28/11/47) (6/1/75) Value. 217.7 203.6

61,61 150.4 50.53 ((28/10/81)(28/11/47) (((175)

Ind. Ord...... 597.3 446.0 597.3 49.4 S-day Avrge. (58/4/81) (14/1/81) (59/4/81) (28/6/40) Glit-Edged Bargains. Gold Mines. 429.0 262.6 558.9 43.5 Equities....

Equity pargains...... - 14,015 10,912 10,754 10,836 12,301 11,485

10 pm 539.1. 11 am 542.9. Noon 542.5. 1 pm 542.6.

2 om 543.3. 3 pm 544.4.

Basis 100 Govt. Secs. 15/10/28. Fixed Int. 1928. Industrial Ord

20,387 19,116 14,886 13,927 15,169 13,246 20,061

— 107.59 100.73 95.59 85.99 107.29 76.68

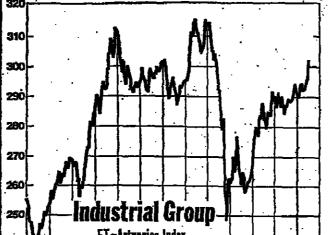
S.E. ACTIVITY

FINANCIAL TIMES STOCK INDICES

63.5B 63.22

1/7/35. Gold Mines 12/9/56. SE Activity 1974.

HIGHS AND LOWS



following renewed investment Barclays put on 15 to 455p, Midland 14 to 346p and Nat West, 400p, and Lloyds, 432p, rose 12 and 10 respectively. Else-where, Royal Bank of Scotland, depressed market since the Monopolies Commission's veto of the Hongkong and Shanghai and Standard Chartered bids, rallied a few pence to 123p, after 125p, on a Press suggestion of a merger with the last-mentioned.
Profit-taking in the wake of a
Press comment that a bid for the
group seems extremely unlikely

left Bank of Scotland 10 down at 470p. Grindlays improved further to 216p in the early trade before reacting on profit-taking to finish a net 3 cheaper at 208p. Discount Houses moved higher in sympathy with gilts.

Eagle Star advanced 13 for a two-day rise of 27 at 334p on renewed talk that the German Allianz group will bid outright for the company later in the

Leading Breweries returned to the fore and closed at the day's best. Grand Metropolitan stood out with a gain of 9 at 1900, while Whithread, 92p, and Bass, 204p, rose 4 and 6 respectively.

Arthur Guinness continued to attract institutional money and closed 4 dearer at 70p. Selected regionals continued to respond to bid speculation. Matthew Brown hardening 4 to 1680 and Border adding a like amount to

while Blue Circle firmed 10 to Magnet and Southerns rising 6 to 234p. International 3 to 84p. vbere, Countryside put on 3

the Board's announcement that profits will fail to meet the prospectus forecast. the price closed 6 higher at 320p, after 322p. Fisons added 5 to 160p following the announce-ment that the company had acquired the remaining 50 per cent of Fisons Western Corporanational, in receipt of a 70p per share cash from Burmah Oil, shed 2 to 73p pending develop-

Interest in Stores was largely Interest in olute any issues, confined to secondary issues. Better-than-expected first-half earnings from MFI Furniture were offset by the chairman's bearish remarks on current trading, and the shares. a firm

MFI give ground

market in front of the announcement reacted to close 4 cheaper at 57p. Other D-I-Y issues were irregular; A. G. Stanley were wanted at 51p, up 4, but Home Charm gained the turn to 123n. The TV/video rental deal with Rediffusion prompted further support of Dixons Photographic. up for a two-day gain of 10 at 165p: Rediffusion firmed 4 more to 176p. Renewed speculative interest lifted Ellis and Gold-stein 24 to 244p. A. Goldberg, 3 to 500, and Peters. 6 to 82n. The leaders retained a selectively firm appearance.

Leading Electricals contri-buted to the firm market trend. Good early buying, some of Selected leading Buildings which was on institutional displayed renewed firmness and account, promoted gains of 12 stock shortage exaggerated some and 15 respectively in Plessey. Tarmac put on 14 to 4160 3520, and GEC, 820p. BICC out on talk of a broker's circular, on 8 to 2800 and Thorn EMI 5 to 524p and BPB Industries 8 to week's interim statement, Racal Among Contracting and nicked up 5 to 383n. Elsewhere, Construction issues. Taylor Standard Telephones and Cables Woodrow advanced 12 to 532n attracted buyers and moved up and John Laing 4 to 58n. 18 to 53n, while persistent in-Timbers made good progress on vestment support helped Cable optimism about interest rates. and Wireless to advance S after the

Further selective evident in the sector. Hawker Siddeley stood to 114p in response to good pre- out in the leaders with a rise of liminary results, but Allied Residential shed a penny to 21p on to 176p and Vickers cdued up 3

to the good at 275p. Haden improved a similar amount to 207p. while support was forthcoming for Delta, up 21 at 461p, and IMI. 11 dearer at 58p.

Leading Foods attracted good support in early dealings, but closed below the best as interest touched 157p before closing just 2 dearer on balance at 152p, while Unigate finished only a penny firmer at 14p, after 117p. Tate and Lyle, preliminary results due today, reverted to the overnight level of 210p, after 212p, but Cadbury Schweppes added 2 for a two-day gain of 5 to 91p on overseas earnings con-

siderations.

Demand in front of annual results due today lifted Trust-house Forte 6 to 121p.

Inspired by a buoyant gilt-edged market, the miscellaneous industrial leaders advanced smartly. Institutional support was evident in the early dealings and helped Reed International to close 14 higher at 266p; the thirdquarter figures are due on February 2. Glazo put on 12 to 166p and Unilever 10 to 635p. Elsewhere, Sidlaw Industries jumped 15 to 243p on the annual report and AGB Research gained 7 to 277p in reeponse to the satisfactory interim results.

Diploma Investments added 9 afresh to 215p. Still hoping that Mr Gerald Ronson's Heron Corporation will persist in its efforts to gain control of Associated Communications Corporation and confirmation in the afternoon that a third suitor had appeared on the scene, ACC moved up 2 more to 7 op. Against the trend, British Cinematograph Theatres fell 7 to 43p on the interim deficit.

Motor Components attracted renewed support and often finished with useful rises. Lucas closed 9 up at 231p, while Dowly. 135p, and Dualop, 67p, firmed 5 and 3 respectively.

The announcement at the out-set of a £62.3m rights issue prompted a sharp reaction in MEPC which dropped to 205p before rallying to close a net 11 down at 214p. British Land, standing at SIp awaiting the in-terim figures, touched 82p following the announcement before closing a net 4 up on the former price. Revived specula-tive interest lifted Westminster Property 11 to 321p, while annual profits in line with market estimates left Espley-Tyas a enny dearer at 82p.

Oils subdued Oils remained subdued, but trended a little harder with British Petroleum and Shell both rising a couple of pence to 302p and 380p respectively. Among the exploration issues. Sun (UK) Royalty attracted further support and rose 10 more to 160p, while improved a similar amount to 140p.

front, reflecting the fairly widespread advance in equities. Caledonia Investments moved up 17 to 315p in sympathy with the since last hoursday's share split rise in British and Common and scrip issue.

Interest revived in Money brokers, Mercantile House improving 14 to 412p and R. P. Martin 7 to 305p. Elsewhere in Financials, buying in a difficult market left Altken Hume 20

higher at 185p.
Movements in Textiles were again usually attributable to special situations. Stroud Riley Drummond continued to draw strength from the pleasing in-terim statement and added 2 for a two-day gain of 41 to 48p. George Spencer remained a firm market reflecting revived take-over speculation and closed 3 dearer at 27p. Allied Textile, preliminary results expected next Monday, rose 6 to 154n.

Bats, the subject of favourable press comment over the weekend, added 7 for a two-day gain of Golds edge higher

Mining markets managed to make modest headway in generally quiet trading. South African Golds edged higher, boosted by the firmer bullion ber quarter profits from th mines in the Barlow Rand group. The gold price closed \$3 up at \$375.50 an ounce. Among the mines in the Barlow Rand group, Durban Deep rose 19 to 739p and Blyvoor 8 to 475p. Elsewhere in Golds, the heavyweights were featured by President Steyn, firmer at £134, and St Helena, to the good at £144. The Gold

progress at the outset as wide spread buying followed the sharp gains in UK equities and the improvement in metal prices However, profit-taking pared gains by the close.

Mines index moved up 4.7 to

Rio Tinto-Zine closed 9 better at 425p, after 427p, and Gold Fields 2 harder at 445p, after 448p. Charter Consolidated were particularly vulnerable towards the close and ended a net 2 cheaper at 235p, after 240p. Australians regained some of the ground lost in recent weeks with sentiment much improved by the trend in metal prices and the sizable oil flows from the Goodwyn 6 appraisal well drilled on the North West Shelf. Woodside Petroleum, which

well, moved up 4 to 66p. Elsewhere in oil and gas issues, Claremont rose 3 to 79p but Santos gave up 10 to 355p and Strata Oil 2 to 46p; Strata's 26.95 per cent-owned Woodada No. 5 well has been spudded in the Perth Basin.

has a 50 per cent interest in the

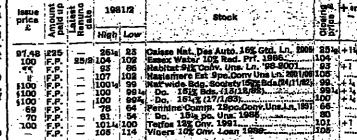
Golds were well supported with GMK recovering 20 to 310p. Poseidon 8 up at 125p and North Kalgurli 4 firmer at 61p The leading base-metal stocks showed Western Mining 6 better at 222p, MIM Holdings stronger at 175p and Renison

Meekathara continued to advance, closing 7 up at a 1981-82 high of 190p-

\$30 F.P. | 50 | 29 \(\frac{1}{2}\) Asset Spoial 10p. | 29 to 155p. Revived demand in a wealth, 13 higher at 345p. Lots limited market left Chemring 7 put on 31 to 59p. 150 F.P. 41165 156 Heyters £1. 156
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FIXED INTEREST STOCKS

EQUITIES



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NEW HIGHS AND LOWS FOR 1981/2

NEW HIGHS (44)

BRITISH FUNDS (4) Findy, Sign 82-84 Trees, 3rc 1936 Eachgr, 3p: 1984 Emchar 15pc 1997 COMMONWEALTH LOANS (1)

Greene King BUILDINGS (2)

BSR ELECTRICALS (6)
BSR ELECTRICALS (6)
M K. Electric
Cable & W-reless Scholes (G. H.)
Jones Stroud Utd. Scientific
ENGINEERING (1)
Baker Perkins

TEXTILES (1)

MINES (1) NEW LOWS (9)

AMERICANS (1) OIL & GAS (1)

RISES AND FALLS YESTERDAY

British Funds
Corpns. Dom. &
Foreign Bonds
Industrials
Financial &
Props. 245

OPTIONS

Deal- Declara Settleings tion Jan 29 Apr 28 Feb 1 Feb 12 May 13 May 24 Feb 22 Mar 5 Jun 3 July 14 For rate indications see end of Share Information Service Stocks favoured for the call

included Eagle Star. Lee Cooper, Woodside, Tricentrol, Town and City Properties, FNFC, Rothmans International. Associated Burmah. Dairies, Ocean Transport and Trading, Pilkington and Flair Resources. No puts were re-ported, but doubles were com-pleted in BP, GKN and Weod-

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Tue Jan 19 1982 **EQUITY GROUPS** & SUB-SECTIONS 4.42 5.47 5.12 2.33 CAPITAL 600hS (210) 244.35 434.48 904.12 374.44 165.65 131.54 Engineering Contractors (9)... Mechanical Engineering (67). 509.79 195.52 13.12 10.83 190.03 152.11 Motors (21).
Other Industrial Materials (16) _
CONSUMER ERQUP (196) ___ 269.19 262.87 Brewers and Distillers (21), Food Manufacturing (21)...Food Retailing (15)..... 423.79 483.92 138.31 251.00 Leisure (24)_ Newspapers, Publishing (12). Packaging and Paper (13)..... Stores (45).... Textiles (23). Tobaccos (3) .. Other Consumer (14) ... OTHER GROUPS (79) Chemicals (16) 717.00 119.02 500.97 537.99 290.13 200.11 Shipping and Transport (13) . Miscellaneous (46) 49 INDUSTRIAL CROUP (487). 301.91 +1.9 11.40 5.33 19.85 26.38 26.18 29.18 29.18 28.18 707.32 +0.5 20.13 7.98 5.63 785萬 785萬 607.30 607.59 新工事 51 (OHs (13)... 334.87 +1.6 12.87 5.78 9.39 339.47 33.17 353.4 33.77 6.11 — 98.77 744.18 78.34 72.27 72.38 10.06 — 215.91 72.37 72.38 72.38 72.37 72.38 72.37 72.38 72.37 72.38 72.37 72.38 72.38 72.37 72.38 7 FINANCIAL EROUP (118). Banks(6) Discount Houses (9) Insurance (Life) (9). 252,42 155,38 Insurance (Composite) () Insurance Brokers (8) 421.48 149.22 435.99 Property (49)...... Other Financial (15)

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INFORMATION FT SHARE BANKS AND HIRE PURCHASE CHEMICALS, PLASTICS-Cont. Price - But Div Gr Riv

7.0 BEERS, WINE

3.4 792 62 JAIIIed-Lyons...

3.5 251 132 332 Annal. Dist.Pr.10p.

5.3 251 132 Bass...

5.4 151 Bellavote Browery

5.5 154 101 Bell Arrivery

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5.7 1326 5594 Da. 9gc Car. 940...

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5.8 138 250 Brown (Matthew)

7.1 317 172 Budners(Hod Frew's...

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5.8 259 160 Dist.Blers 50p...

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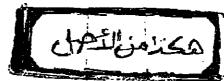
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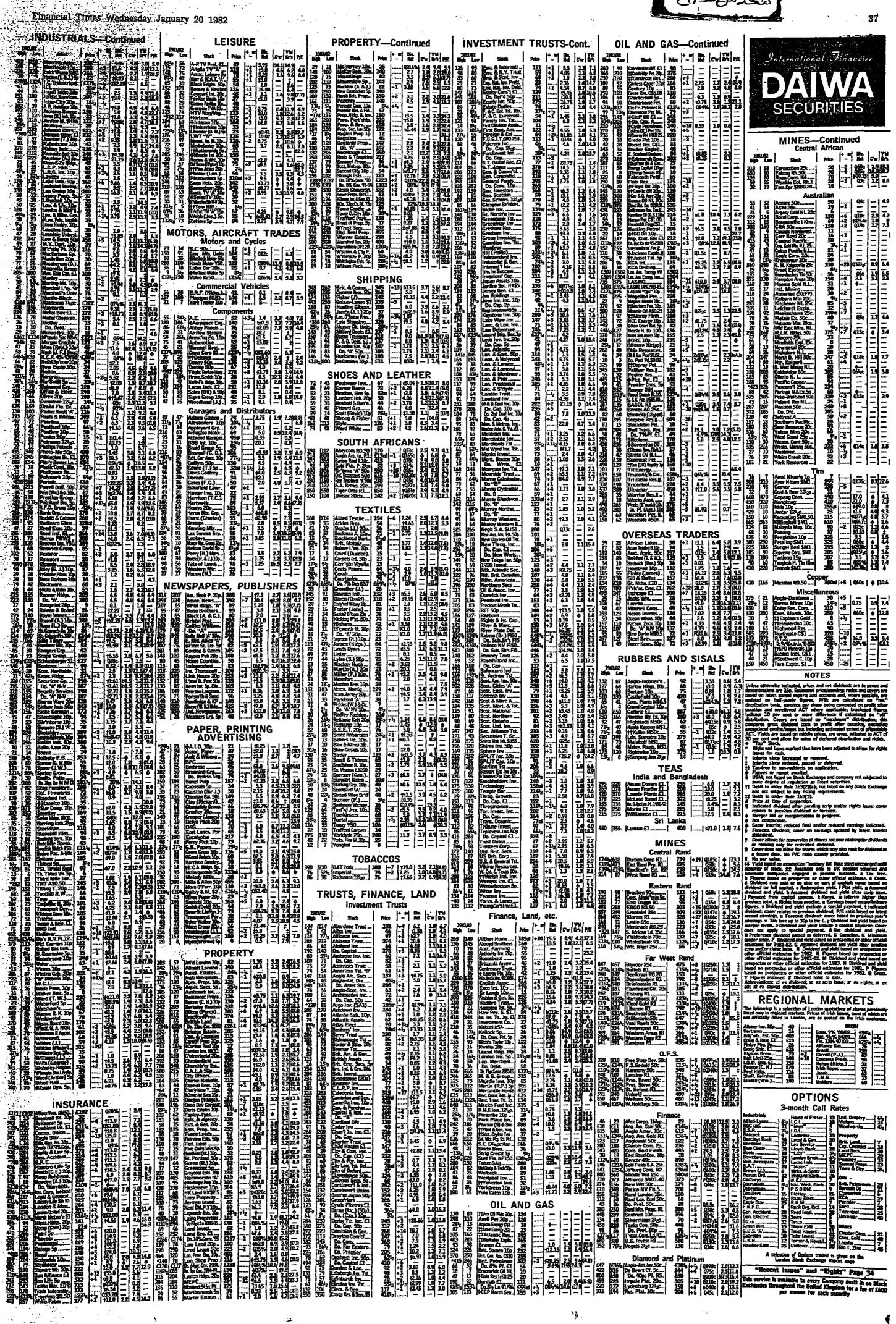
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Seventh Directive.

CHEMICALS, PLASTICS

5.0 1.17







FINANCIAL TIMES

Wednesday January 20 1982



Interest rate decline continues

By Max Wilkinson, nomics Correspondent

INTEREST RATES moved down again yesterday as the of England lowered its dealing rates on Treasury and other bills for the second day running.

The Bank dropped the rate at which it accepted bills up to a point to 141 per cent. This followed a fall of 1/4 point on Monday. Yields on sterling certificates of deposit and eligible bank hills fell by up to 1 point following the news.

The Bank's move was generally interpreted as a signal that it would be happy to see a return to lower interest rates. although an immediate fall in clearing bank base rates from 141 per cent is not in prospect. The seven-day inter-bank rate,

generally considered the key to any movement in base rates, remained unchanged at 14% per

fell half a point to 151, reflecting a general mood of optimism in the markets. The November 19 short tap (14 per cent Exchequer 1986) was sold out and gilt-edged stock generally moved up, in spite of official sales of stock, adding 0.65 points to the FT gilts index, which

The equity market followed the upward trend, and the FT index added 11.2 points to close at 545.9, the highest for over

Three-month Eurodollar rates were down | point at 14 | per |

The market was further encouraged by sterling's firmness in the face of the general downward drift of UK interest rates. The index of sterling's trade-weighted value against a basket of other currencies increased 0.7 of a point to 91.5. and the rate against the dollar increased to \$1.8950 from Monday's London close of \$1.8896.

Market sentiment appeared to influenced more by the slightly better news from the UK industrial front than by the ecent sharp increase in the U.S. money supply.

Continued from Page 1

Heron

Yesterday he confirmed that his bankers Hill Samuel had made approaches to Standard Chartered merchant bank, which is advising ACC. for further information about the company.

Mr Maxwell said: "I am interested in buying the whole company. We have an 8 per cent stake in the voting shares of Central Independent Television, in which ACC holds a 51 per cent interest. In all we have made a £2.75m investment in Central." He said he will be making a statement shortly on his future intentions.

During the hearing of Mr Gill's injunction petition ves terday, brought to ensure that eventually receives the record compensation payment of £560,000, the court was told by Mr Gill's counsel that the settlement had been agreed in September when Mr Holmes a Court, the present chairman about £1.15 a bottle).
was "a cloud no bigger than a Reginald Dale adds: man's hand on the southern

Mr Gill in written evidence said Lord Grade "told me he and I could not work together was shocked and very angry." | to take effect.

BY DAYID HOUSEGO IN PARIS THE FRENCH Government

vesterday opied to pay generous compensation for the banks and industrial groups it

is taking over, in an effort to avoid any further check by the

Constitutional Council to its

The decision caused indigna-tion in the Communist Party.

which is a member of the coali-

Socialist deputies on the left. One consolation for the

Government, which was forced

into improving the terms by

the council's rejection of the

Nationalisation Bill being chal-

which is to be put to the full

share price during the six-

Council

hanks will be paid on the basis gramme

month period October 1, 1980 pected.

by 14 per cent or the equivalent yesterday.

Under the new formula, case by case.

Rail peace hopes rise as Murray joins talks

solution to the railway dispute, earnest of good faith, when Mr Len Murray, TUC But Aslef would have to general secretary, joined talks agree that not only the present and Arbitration Service. A plan but all six productivity concessor comprehensive arbitration sions the board is seking are on all aspects of the pay and included in the arbitration productivity row appeared to be Some of these are far more being stitched together. Terms of reference for bind-

rerms of reference for binding arbitration — apparently acceptable to the board of British Rail—were being put the series of strikes called off. There was little prospect that today's and tomorrow's stopmen (Aslef), whose train driver members are due today to members are due today to might be arbitration was binding and the series of strikes called off. There was little prospect that today's and tomorrow's stopmen (Aslef), whose train driver members are due today to might be arbitration was binding and the series of strikes called off. embark on their second week of

It was obvious, however, that the terms could be difficult for Aslef to accept. The idea is that arbitration should be set up, probably under the auspices of Acas, but possibly with Lord McCarthy, of Oxford University, handling the issue.

Lord McCarthy is chairman of the industry's own internal arbitration panel and it was he who said that part of the last pay award should be linked to productivity negotiations.
It would be left open when

and whether the 3 per cent pay rise tied to productivity was to be made to the Aslef drivers. But a sum of about £2m might

HOPES ROSE last night for a be put into a pool by BR as an

at the Advisory, Conciliation argument about flexible hours contentious than the rostering

It was not immediately clear whether Mr Murray, who last week insisted BR was in the wrong, was promoting this arbitration plan, alongside Mr Pat

Lowry, Acas chairman. Mr. Ray Buckton, general secretary, said carlier vesterday that the BR board would have to pay the disputed 3 per cent second stage of last year's two-part 11 per cent pay deal before there would be further talks about the crucial issue of more flexible hours. There would be no "softening" of the union's position.

The BR board, meeting yesterday, reaffirmed its determina- avoided. tion to achieve its programme

of specific productivity improve ments, including flexible rostering, to which it said all parties had agreed last August. However, Sir Peter Parker,

BR chairman, earlier in the day in an interview on BBC radio, raised the prospect of a compromise on the dispute. suggested implementing flexible rostering for drivers for an experimental period of a year, in order to bring to an end the series of Aslef strikes, though whether even this would be acceptable to the union is doubt-

Guards at London Bridge station on BR's Southern Region returned to work yesterday, after an unofficial strike over flexible rostering. The BR board was understood to have severely admonished SR management for giving the guards incorrect information about the effect of the new 7-to-9-hour rosters on sick pay, holidays, and a day off resulting from the introduction of a 39-hour week.
Guards at London's King's Cross station who have also

threatened action over new rosters are in talks with lmanagement on the issue, and their union, the NUR, is confident that any dispute can be

Cash is key. Page 9

£62m rights issue from MEPC

. BY MICHAEL CASSELL

MEPC, the UK's second largest 'shares down 11p to 214p. property group, yesterday announced a £62.3m rights issue to help fund its ambitious worldwide development programme.

The group has been stepping up development activities in the U.S. and Australia and, with its UK programme included, is expected to spend more than £100m on new schemes over the next two years. About £60m will be accounted for in the current

The issue, which is being underwritten by Morgan Grenfell and Hill Samuel, will involve an offer of 34.2m new ordinary shares at 188p each. The terms are one ordinary share for every five existing ordinary shares and one for every £16.50 of 61 per cent

News of the issue sent MEPC scheme.

MEPC, which last had a rights issue in 1979, said last night that the issue of additional equity would be in the long-term interest of shareholders. It indicated that it intended at least to maintain its ordinary dividend on the increased share capital.

Last month, the group revealed pre-tax profits of £26.79m for the year to September and an open market valuation of its international property portfolio gave it a price tag of £906m.

Mr David Davies, MEPC fin-

The group has an option to purchase the site for the development, which could cost up to £50m over a four year period but which will ultimately involve a funding partner.

The balance of the group's

present capital commitments is divided between the U.S., where £20m will be spent on the first phase of its Quorum office com-plex in Dalias. Texas, and Australia, where developments will account for another £12m. The group emphasised that its

plans to develop in partnership about 86 acres of land at Texas ance director, said that the UK cluded in its present capital would account for about £70m commitments. This phased of the £100m-plus development programme in 1982 and 1983. complete and MEPC's own This figure would include about share of expenditure is expec-£18m for the initial stages of ted to represent one of the its Reading, Berkshire, office group's biggest ever single investments.

Continued from Page 1

Reagan to raise taxes

confirmation from the White House, and the Treasury would say yesterday only that all kinds of tax options are being costed. But Mr Howard Baker, the Senate majority leader, has said that he has "a pretty good idea" of the President's plans for tax increases. The State of the Union message, which Mr Reagan will deliver on Tuesday and in which the Administra-tion's plans will be unveiled.

"is going to be a real hum-dinger," he said. Present federal taxes are cents a U.S. gallon of petrol (equivalent to about 2p an imperial gallon), 8 cents on a packet of cigarettes, 17 cents on a gallon of wine (equivalent to less than 2p a bottle). 9 cents on a gallon of beer (less than 1p a pint) and \$10.50 on a gallon of spirits (equivalent to

Reagan vesterday stoutly defended his economic pro-gramme, saying he was "quite there would be an upswing in the stagnating U.S. economy as his policies began

CGE

original compensation, is that the basis of 1980's dividend

the new offer is likely to payment. These too will be in-

lenged in foreign courts. The determine the value of the 18

France's highest judicial body. are not quoted on the Bourse,

which is to be put to the full Officials yesterday put the Cabinet today, compensation revised cost of the Govern-for quoted companies and ment's nationalisation pro-

of the highest average monthly (£3.2bn) or 25 per cent more

March 31, 1981. On the basis of tentative This figure is then increased estimates made by brokers

of France's current inflation some of the big enterprises

In addition, the Government large windfall gains. The new

diminish the chances of the creased by 14 per cent.

Pechiney-Uzine-Kuhin

A commission of experts will

at about FFr 35bn

shareholders in

is banks to be nationalised which

than had originally been ex-

being taken over will make

France improves nationalisation terms

FRENCH NATIONALISATION COMPENSATION TERMS

83.DO

101.00 245.00

will pay dividends for 1981 on terms provide estimated pro-

In a news conference to mark the first anniversary of his interest rates and inflation were lower than when he took office. .as were personal tax levels. In spite of rising unemployment. Im more Americans were at work than there had been in

He had the "greatest symfor the 9.5m out of work, but the latest unemployment figures—showing a jobless rate of nearly 9 per cent-were the continuation of a trend that had started under President Jimmy Carter in the last months of 1980, he said.

continue to rise.

A programme was getting under way that would reduce unemployment and resolve the bothersome " problems facing the U.S economy in a more com prehensive way than any in the

last 10 years. Mr Reagan told the poor and the unemployed his administration had not cut overall spending on human resources. had increased and would con-

218.70

fits of FFr 111 per share over

the closing price before the

Financiere de Suez; of FFr 65

per share in the Parihas holding company; and FFr 74 per

M Jean-Maxime Levegue.

chairman of Credit Commercial

de France, one of the fiercest critics of the compensation terms, said yesterday that he

Some brokers spoke dream takeover prices."

"happy" for his share-

The Government's decision to

pay heavily reflects its deter-mination to push ahead fast

Generale d'Electricite.

holders.

May presidential election for the non-shareholders in the Compagnie for 1981.

the Compagnie

Continued from Page 1

company's inability to find further private investment for Government has put £17.757m in equity, £23.9m loans and £25.2m in grants—apart from loan guarantees-will make it difficult for De Lorean to resist the Government's plays to increase its influence on the

Mr De Lorean said recently he felt the Government has "as much control as you can have and still keep it a private company. If you want to turn it into a BL, where the Government runs the whole show, different thing

mic policy. Officials

There is a weekly review of expenditure with Northern Ireland officials, and Government hoard representation consists of ment Agency appointees: Mr Alex Fetherstone, a solicitor and member of an advisory committee on industrial development in the province, and Mr James Sim, a banker and deputy chair-

were calculating

again through the

yesterday that a new Nationali-sation Bill — which has to

National Assembly, the Senate

and the Constitutional Council —could become law in six

weeks.
The new formula for com-

pensation drops the complicated features of the earlier system.

The council had criticised this

for failing to take into account

the erosion by inflation of what

shareholders would be paid, the

non-consolidation of accounts in

calculating company assets and

the non-payment of a dividend

Reflecting the bitterness in the

Socialist party at the council's

ruling, M Lionel Jospin, the

party's First Secretary, said

vesterday that the council was

not "the model of objectivity

and wisdom it was said to be.
The new Nationalisation Bill

thus encompasses France's five

main industrial groups, two

major holding companies and

over three co-operative banking

In addition, the Government has been told by the Constitu-tional Council that it must take

18 banks.

De Lorean

altogether."

seized by police By Christopher Bobinski in

press

Solidarity

POLISH security police have notched up a victory in their campaign to root out resistance to martial law by seizing one of Solidarity's secret printing presses.

The press was discovered in a private flat in Wroclaw, th-west Poland,

Police also found leastets urging the population to disobey martial law regulations and forged identity papers, according to Trybuna Ludu, the Communist Party news-

The official Press has rarely admitted that Solidarity meinbers are continuing to produce and distribute leaflets and organise other forms of resist-

But Wroclaw is believed to have one of the best organised clandestine Solidarity networks.

The press made great play some weeks ago with the fact that union officials had withdrawn 80m zloty (£530,000) from the Solidarity bank account in the region just hefore martial law was declared on December 13.

The implication then was that union officials had stolen

the money.
It now looks as though the moncy was withdrawn in anticipation of the clampdown and is being used to finance

clandestine union activity. Reports from other regions indicate that resistance and underground activity is wide-

Sentences in the courts have sometimes been harsh In December, five Solidarity members in Bielsko Biala are reported to have been sentenced to three to five years in jail for "organising a secret structure for the union." In Warsaw, however, judges appear to be less

More Polish news, Page 2

Weather

UK TODAY

Occasional rain in eastern districts with bright intervals in northern areas. Hazy sunshine in western and central parts with isolated showers in the west. Fog patches in most districts. London, East Auglia, E. Midlands, Cent. S., Cent. N., S.E.,

E. England Misty throughout, hazy sunny periods developing. Max. 10C

W. Midlands, N.W. England, North Wales, Isle of Man Misty throughout hazy sunny periods developing. Max, 9C

S.W. England. South Wales, Ireland, Channel Northern Islands

Fog paiches at first, sunny periods developing, isolated showers. Max. 11C (52F). Lake District, Glasgow, Cent. Highlands, Argyll, S.W., N.W.

Scotland periods, isolated Sunny fog patches. Max. 9C (48F). N.E. England, Borders, Edin-

burgh. Dundee. Aberdeen. Moray Firth. N.E. Scotland, Orkney, Shetland

Misty, occasional rain, bright intervals developing. Max. 7C Outlook:

outlook: Mostly dry, with sunny intervals, Widespread

WORLDWIDE

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Amadm. C 3	37 Luxor	S 21	70			
Athens	Madrid 63 Majorca	C 9	48 59			
Bahrain F 17	63 Majorca	F 15	57			
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Bright C 9	48 Nairobi					
Brussels C 8	43 Naples	C 11	52			
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Lisbon F 13	SS: Vignes	C -8	18.			

THE LEX COLUMN

Landlords clamour for their rights

may be a little more than co- Index rose 11.2 to 545.9 dollar, are unlikely to give much more becomes the month Hasle. mere became the first property company to follow up its 1979 rights issue with a repeat per-formance; yesterday MEPC played the same card with a £62.3m call. So, taking in the Great Portland issue, the sector has raised more than £100m within two months. The market is now guessing nervously which companies may be planning to present fresh demands; against

a buoyant trend everywhere else, the property index shed'a further 0.1 per cent yesterday. MEPC's issue is launched on the back of its good results last month, and it has arranged an aggressive development pro-gramme. At least £100m should

be spent in the next couple of ears, while net available eash has shrunk to £10m. Further heavy outgoings are envisaged subsequently on projects in Reading and in particular Dallas. So the company is retaining its objective of financing projects with two-thirds of debt, thus allowing geared up benefits

to come through in future to

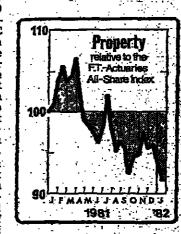
shareholders.

In the short-term however asset backing per share is down nearly a tenth, but reversions this year mean that cover on an comfortable in spite of the increase in share capital. The shares fell 11p yesterday to 214p and the 38 per cent discount, cum rights, to net assets compares with an average for the sector of 34 per cent. No doubt MEPC will again use the funds wisely, but at this sort of discount asset sales would seem preferable to rights issue

Another sixteenth Clumsy old Minimum Lend-

ing Rate used to move in quater points when it was going down (upward steps tended to be larger). The Bank of England's new ultra-sensitive arrangements allow it to move interest rates through Bank brought its bill dealing rates down by a sixteenth point for the second day running.

The impression that the authorities are relaxed about not enough to suggest that the Bank is dropping its bill rates just to encourage the issue of more paper, since the come-on that it has given the money markets has actually narrowed the arbitrage gap between bill and money market finance. A



one-eighth point reduction in official buying rates on bills has translated into a half point fall in the three-month inter-

bank rate. In general the Bank's task of relieving money market shortages is more difficult when the market is bullish and wants to hold on to bills. The gilt-edged sales of the last two days— yesterday the Government Broker was cleaned out of the last £200m or so of his short tap, having cut the price by an obliging 21 points—will of course make the shortages bigger, and today is banking make-up day. But the problems of success are always fun to solve, and the authorities may soon be thinking in terms of issuing more stock provided the gilt-edged market does not take fright at the Fed Funds rate

U.S. Motors

The U.S. motor industry has been clearing the decks for what promises to be another very tough year. In the space of a first quarter dividend, General Motors has announced sweeping price cuts, American Motors has: gradations that would not have and the United Auto Workers ing steeply and interest charges alarmed dealers in Consols a union has showed itself ready still running at around 23m a century ago, and yesterday the to accept profit-linked wage year, MFI is unlikely to restore

settlements. facturers are trading well into does seem well past the worst the lower half of their last 12. It is, however, still taking a month range an dthe threat of cautious attitude to the dist things is now irresistible. It is a deepening recession is forcing dead, which is only maintained some downward revision of unit at the interim stage. Las sale forecasts. The market for year's payment was covered new cars is unlikely to rise far more than twice by exception above 9m units in 1982, com- ally weak current cost earnings pared with a very depressed so there may be some room for figure of 8.5m last year. Im- an increase in the final Mean-porters, who pushed up their while, the historic yield is 6.7 market share to 27 per cent in per cent.

GM remains much the most soundly financed of the four companies and the only one likely to show an overall profit for 1981. But, even assuming some recovery in the current year, the maintenance of its dividend must be in some

Ford's common stock has held up well to the dividend announcement but the performance of its bonds gives some indication of the market's concern. The 9.15 per cent offering due 2004 is yielding around 19 per cent to maturity. more than 3 per cent above the triple utility average. A further downgrading of its credit rating looks on the cards.

MFI

MFI has cast a shadow over its impressive set of interim figures with some very bearish comments about current trading. The bad weather has left sales about 25 per cent below budget during what is normally a peak setting period. The shares responded with a 4p dip

MFI may now struggle match last year's second-half profits of £6.8m, a marked contrast to the strong recovery in the six months to November. At the pre-tax level, profits have risen 42 per cent to 27.1m and net margins are almost 3 points higher at 8.4 per cent. Around £750,000 of the improvement reflects the absence of costs relating to the Status Dis count acquisition, but MFL has also managed to push up selling price by 5 per cent while keeping its purchase prices and fixed costs virtually unchanged.

Tornover growth appears to be low on MFT's list of priorities Sales were down in the first half, capital spending this year few days. Ford has omitted its will be roughly film lower than last year's £19m and floor space is being sub-let and surrendered to store-in-store reshuffled its top management retailers. With depreciation risthe glamorous net margins of The shares of all U.S. manu- a few years ago but the group

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